

**FBIS****DAILY REPORT  
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VICE FOREIGN MINISTER ZHANG WENJIN INTERVIEWED

NC011330 Beirut AS-SAFIR in Arabic 29 Jul 83 pp 1, 10

[Text] Beijing [no date given] -- Muhammad Mashmushi dispatch.

The meeting with PRC Vice Foreign Minister Zhang Wenjin took place at the Foreign Ministry Building. It dealt with issues pertaining to Chinese foreign policy, particularly in relation to the two superpowers -- the United States and the Soviet Union.

The Chinese minister affirmed that the accusation that his government has adopted a balanced and equitable attitude toward both Moscow and Washington is a misunderstanding of Chinese policy, whose stand on every issue in the world has been decided separately according to the danger of each issue and to the threat it poses to international peace and to the peoples of the world.

Regarding the Middle East the minister said: There is undoubtedly a struggle between the two superpowers in this area. However, the basic factor in the area's ordeal is U.S. imperialism and its role in arming Israel and instigating it to commit aggression against the Arab people.

Concerning relations with the Soviet Union the minister said: There are three factors obstructing the improvement of these relations. However, he pointed out that contacts are continuing to overcome them, and that a third round of consultations will be held before the end of this year.

The following is the text of the interview:

Zhang Wenjin began the interview by saying:

I warmly welcome you on your current visit to China. We consider you to be the representative and the delegate of the AS-SAFIR paper, which enjoys great respect both in Lebanon and around the world. We also consider you to be the representative of the Lebanese people. Once again we welcome your visit to China. There haven't been many contacts and exchanges between the representatives of our countries in the past 2 years. This is why we consider your current visit to China as useful, and we are very satisfied with it.

[Mashmushi] I thank you for this praise and hope to be a useful delegate.

I then asked permission to pose the questions.

[Mashmushi] Lebanon, as your excellency the minister knows, has been living in a state of war for the past 8 years. This is perhaps the reason that there were no permanent contacts between Lebanon and the PRC. The Lebanese crisis has now reached its peak as a result of the Israeli aggression which led to the occupation of a large portion of Lebanese territory and consequently to the United States' intervention in an attempt to solve the Lebanese crisis. How does his excellency the minister view the future of these attempts?

[Zhang] Before anything else, I would like you to convey the Chinese people's greetings and respect to the Lebanese people. China -- government and people -- follows up the developments in Lebanon with continuous attention. The fact is that the Israeli authorities have been following an aggressive and expansionist policy for a long time against the Arab peoples in general and the Lebanese people in particular. This has inflicted heavy damage on the Arab people, including the Lebanese people.

The Lebanese people were in the forefront of those who suffered these ordeals and damage, particularly last year when the Israeli authorities disregarded all the principles and rules of international law and launched a wide-scale barbaric invasion of Lebanon, undermining its sovereignty and occupying a large area of its territory. This brought the Lebanese people new tribulation.

China -- government and people -- adopted an immediate stand at that time. It strongly protested against this barbaric military aggression on Lebanon by various means. The Chinese Government issued declarations and statements in various international circles condemning this barbaric invasion which Israel carried out in disregard of international law.

The Chinese Government firmly and resolutely supports the Arab people, including the Lebanese and Palestinian people, in their resistance of the Israeli authorities' policy of aggression and expansion. We deeply sympathize with the Lebanese people in the current strong tribulation. We always believe that the Lebanese state's sovereignty and territorial safety must be respected and that the right of the Lebanese people to exist and live in peace and security must be acknowledged.

We always openly declare that all the aggressive Israeli forces must completely and unconditionally withdraw because Israel has invaded this sovereign Arab country.

Regarding relations between Lebanon and the Arab sides concerned, we very sincerely hope that Lebanon will consult with these sides to find the appropriate solutions to the problems, motivated by the desire to safeguard Arab solidarity and unity, to guarantee achievement of the joint basic interests, and in compliance with the principle of mutual respect among these sides.

For our part, we respect and support all the efforts and measures that the Lebanese Government resorts to in order to defend Lebanon's independence, sovereignty, and territorial safety.

[Mashmushil] There remains the U.S. stand on Lebanon. You have not referred to it, your excellency the minister.

[Zhang] I will answer the question.

[Mashmushil] Let me explain a point. This point is that China's stand on the Camp David agreement, which was concluded under U.S. auspices, is not critical. This is despite the fact that there is an Arab opinion to the effect that the new Lebanese-Israeli agreement -- which was also concluded under U.S. auspices -- is a result of the Camp David agreement, which basically aimed at weakening the Arab position by militarily and politically removing an Arab state from the Arab solidarity arena.

[Zhang] As I have already said, we sympathize with the Lebanese people. We also sympathize with the Egyptian people, who made very great national sacrifices in confronting Israeli aggression and expansion. The Chinese Government's policy on the Middle East is very clear. We have not concealed and we will not conceal our point of view and stand on the U.S. position and policy in the Middle East. We have explained this stand at international forums, and at the meetings between the Chinese and U.S. leaders.

Our leaders directly criticized the U.S. leaders because of their policy in the Middle East. We pointed out that the United States cannot disregard the basic interests of the 150 million Arabs.

The fact is that the Middle East issue has remained unresolved for a long time. The situation has remained disturbed for a long time. It is caused by the fact that the United States supports Israel and instigates it to practice the policy of aggression and expansion in this area.

We must realize from the beginning that the two superpowers are at loggerheads in the Middle East. Each is trying to play the card of this area. However, we must clearly realize that the main cause of instability in the Middle East and of the failure to find a settlement of this issue is the United States, which supports Israel and instigates it to follow an aggressive policy.

As far as we concerned, we always call for Israeli withdrawal from all the Arab territory that Israel occupied in 1967, for the restoration of the usurped Arab territory, and for the restoration of all the Palestinian people's legitimate national rights, including the right to repatriation, self-determination, and the establishment of an independent state. Only on this basis can all the states in the Middle East, including Israel, enjoy the right to exist in peace and within internationally recognized borders.

In general, we call for a comprehensive and just solution to the Middle East question. We respect all the options taken by the Arab states and the Palestinian people concerning the Arab peoples' basic interests.

The Chinese vice minister smiled and said: If you wish to hear an outline of Chinese foreign policy on the Middle East situation, I am prepared to do so.

[Mashmushi] It's all right. I hope it will be a brief explanation.

[Zhang] We will turn back a while as this will help you to better understand our foreign policy. For over 30 years we have been pursuing the foreign policy drawn up by the late Chairman Mao Zedong, and late Council of State Chairman Zhou En-lai. However, in the last few years, in addition to continuing to pursue the policy drawn up by the two late chairmen, we worked to adapt ourselves to new developments in the political situation. We developed this policy particularly in September 1982 during the convocation of the 12th CPC Congress. The party's Central Committee has increasingly developed and implemented foreign policy in line with new developments in the international situation.

In general we can say that China is continuously pursuing an independent foreign policy. We consider the defense of world peace and the opposition of hegemony to be a basic principle of Chinese foreign policy.

Likewise, strengthening solidarity and cooperation between China and other Third World countries is a basic focal point in Chinese foreign policy. In accordance with the five principles of peaceful coexistence, we are working to develop Chinese relations with all countries. We have drawn up and are currently implementing this foreign policy proceeding from the basis of establishing and achieving the basic interests of the Chinese people, because we are engaged in socialist building within China and need a peaceful international environment. Moreover, we have drawn up this policy after a deep analysis of the current international situation.

We believe that pursuing this Chinese policy is in the interest of protecting world peace and also of protecting the basic interests of world peoples. We believe that the source for lack of stability and confusion in the world is the conflict between the two superpowers and that the main danger to world peace comes from imperialism, colonialism, and hegemony. Protecting world peace subsequently requires struggling against hegemony. Therefore, when we discuss the protection of peace, we believe that we should struggle against hegemony. By this we mean against the two sides simultaneously. This is the basic principle of Chinese foreign policy.

We see that the Third World countries constitute the main force resisting colonialism, imperialism, and hegemony. At the same time we see that China also belongs to the Third World. Therefore, we feel that strengthening solidarity and cooperation between China and the rest of the Third World countries is a main focal point of Chinese foreign policy.

For the sake of protecting world peace, our government wishes to develop its relations in an extensive way with all countries in the world on the basis of the five principles of peaceful coexistence.

I would like to affirm, before you here, that China adheres to an independent foreign policy. I mean here that China will not follow any great power or any world bloc. China will not submit to any press or influence by any big power or any world bloc. We define our stance regarding any international question or any accidental event in the world according to the nature of that question or event and also according to the basic interests of the Chinese people and the world peoples.

When we speak of the struggle against hegemony, this means that we oppose the hegemony practised by the two superpowers. If one of these powers practices its hegemony in this area or in this question we oppose it. Likewise, if the other power practices its hegemony in that area or in that question we also oppose it. In light of this or that question we adopt our stance. This means that we adopt equal stances regarding the two superpowers concerning every international question and according to the nature of this question.

For example some questions in Asia: -- The Soviet Union has used its armed forces in a direct invasion of Afghanistan. It supports Vietnam in invading and occupying Kampuchea. It is also massing huge amounts and numbers of its armed forces along the border between China and the Soviet Union. It has also dispatched its armed forces to be stationed in Mongolia thus constituting a direct threat to Chinese security.

Therefore, in light of these actions in Asia, we are concentrating our efforts on the struggle against Soviet hegemony in the area.

For example, also on the Middle East question, South Africa question, Namibia issue, and the Central America question, the United States is practicing hegemony in these areas. Therefore it is necessary to concentrate on the struggle against U.S. hegemony. We see that in Asia, the Middle East, South Africa, and in all other questions there is a conflict between the two superpowers. However, we do not adopt an absolutely equal stance regarding the two powers, but on the basis of each issue and in accordance with our analysis of the principal criminal in each issue.

Some people in the world say that China adopts a balanced and equal stance regarding the two superpowers. We say that this claim is a misunderstanding of Chinese foreign policy. No one can incite us against anyone. We decide our policy in accordance with our conviction.

In short, we can say that we are harmonizing the basic interests of the Chinese people and those of the world nations. We believe that these interests are common and in step. According to our Constitution, we link China's fate with that of the world. Also, in drawing up our foreign policy we link and merge nationalism with patriotism as a point of departure for our foreign policy. Moreover, we adhere to the independent foreign policy because we link our struggle with the protection of world peace and with the development and progress of the sublime issue -- the issue of the progress of mankind.

[Mashmushi] We believe that our countries -- which struggle for liberation, independence, and social progress -- are the primary victims of the existing differences between China and the Soviet Union. How far have the contacts between the two countries gone to alleviate the tension between them as this would serve, firstly, those countries struggling for liberation, and, secondly, the Chinese and Soviet peoples?

[Zhang] As for relations between China and the Soviet Union and the causes that aggravated them, we can say that relations were good in the fifties. They, however, were aggravated seriously due to the Soviet policy of hegemony. There is no doubt that the continuing tense relations between the two countries will serve neither the interests of the two countries nor world peace. That is why we always entertain a positive desire to improve relations between the two countries. However, this should be based on principles, namely on the following two main principles:

- a. As in the past, we will continue to reject the hegemonic policy exercised by the Soviet Union.
- b. We want to conduct a dialogue with the Soviet Union. But this should be handled through consultations to find ways and means to normalize relations.

Accordingly, consultations were conducted between our countries at the deputy foreign ministers' level. During these consultations, several positive proposals were made. Within the context of these proposals, we clearly presented our stand: In order to improve and normalize relations between China and the Soviet Union certain measures should be taken and actual work should be effectuated to remove all obstacles that are impeding the normalization of the relations between the two countries. This means that many steps should be taken to wipe out the following three obstacles:

First, Soviet Armed Forces are being used in the invasion and occupation of Afghanistan.

Second, the Soviet Union supports Vietnam in its invasion and occupation of Kampuchea. This in itself threatens the peace and security of all of Southeast Asia.

Third, the Soviet Union is massing huge forces on its borders with China. It is also deploying huge armed forces in Mongolia. This constitutes a direct threat to China's security and peace.

Therefore, we demand that the Soviet Union take effective measures and steps to remove all these obstacles, and consequently contribute toward normalizing relations between the two countries.

When we presented our views -- views emanating from our objectives for protecting the interests of the Chinese people as well as the interests of peace in Asia and the Pacific and in the world at large -- we held the view that the conditions of peace everywhere in the world are the same.

However, our first and foremost proposal was that the Soviet Union should cease its support for Vietnam and should urge it to withdraw its forces from Kampuchea as soon as possible. We also are of the opinion that the adoption of measures to remove and undo the knots and obstacles represent the basis and precondition for normalizing relations between the two countries.

I can tell you that two rounds of talks have taken place between China and the Soviet Union. According to the agreement signed between the two sides, neither should divulge the contents of these consultations. Therefore, I cannot but abide by this agreement.

Nevertheless, I can perhaps tell you one point: The PRC was the one that presented a group of positive proposals. The differences are still wide. But the atmosphere of consultations was calm and frank, and the two sides agreed to continue these consultations. With regard to the third round, it is expected to take place next fall or just before the end of the year. This will be tackled through diplomatic channels in both countries.

[Mashmushi] But has the situation improved on the ground, in the sense of trade, scientific, and other relations?

[Zhang] Currently there are contacts and exchanges in all trade, scientific, technological, and cultural spheres. Naturally, the development of relations will be limited pending the liquidation of all the obstacles obstructing the normalization of relations.

[Mashmushi] What about relations with the United States?

[Zhang] Generally, you can find the answer to this question in my explanation about Chinese foreign policy. I said China firmly and resolutely opposes the hegemonist policy adopted by the two superpowers. We see that world peace is being threatened by these two powers. Also, if we look at the world as a whole we find that the threats and dangers are generated by Soviet hegemony, and at the same time by U.S. policy, which endeavors and attempts to practice hegemony whenever there is a possibility. Hence we equally oppose the Soviet and U.S. hegemonist policies.

It is common knowledge that diplomatic relations between China and the United States were established in 1979. Later, the relations between the two countries began to develop. But problems and difficulties still exist. The biggest obstacle impeding the development of relations between China and the United States lies in the Taiwan issue. Naturally -- as far as we are concerned -- the U.S. stand on this issue reflects and embodies the U.S. hegemonist policy, because the U.S. stand on Taiwan is an overt violation of China's sovereignty and an ugly intervention in its domestic affairs.

Last year the United States approved the sale of arms to Taiwan. Therefore we waged a serious and fierce battle on this subject with the United States for 10 months. Despite this, an agreement was reached between the United States and China last August on the question of the U.S. sale of arms to Taiwan. A communique on this was issued. However, although this agreement was reached, there was no radical solution to this question. Moreover, the United States approved the so-called "Law on Relations with Taiwan." Chinese leaders have often stated that this law is regarded as a cloud overshadowing relations between China and the United States, and unless this cloud is dispersed one day, relations between China and the United States will remain as they are.

In our relations with the United States, we in fact adhere to our principled stand. We always desire to develop relations between China and the United States, and we believe such development is in the interest of the Chinese people, the American people, and the peoples of the world, as well as in the interest of world peace. However, in the meantime, we do not and will not allow the United States to interfere in China's internal affairs and violate its national sovereignty. We told the Americans that if they desire to develop their relations with us in a normal, consistent, and firm manner, they should take real measures and adhere to the contents of the statement on the establishment of diplomatic relations between China and the United States, as well as to the statement that was issued on 17 August 1982, to respect the Chinese state's sovereignty and the integrity of Chinese territory; and not to interfere in China's internal affairs.

We have also observed that in the United States, they, at times, make some statements prejudicial to relations with China, and at other times, they make statements about improving relations with China. However, we decided that the most important thing is for us to wait for their deeds. According to the Chinese proverb: We hear their statements but what is more important is to see their deeds.

WU XUEQIAN MEETS UNESCO OFFICIAL 3 AUG

OW031647 Beijing XINHUA in English 1636 GMT 3 Aug 83

[Text] Beijing, August 3 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian today met UNESCO Director-General Amadou Mahtar M'bow and his party, while Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the All-China Women's Federation, met Madama Raymond's M'bow and her daughter, Maryamine M'bow.

Wu Xueqian, who just returned from visits to Pakistan and Thailand, briefed M'bow on China's foreign policy and its views on major international issues. The foreign minister expressed his appreciation for UNESCO's work, and said he hoped the organization would contribute more to education, science and culture in the developing countries.

M'bow said it was UNESCO's policy to promote unity among the Third World countries and develop South-South cooperation. China's experience in construction, he added, would benefit other developing countries.

Kang Keqing and Madame M'bow exchanged views on women's work in China and Senegal, Madame M'bow's native country.

The 12-member UNESCO group led by M'bow arrived in Beijing August 1 for a 15-day visit at the invitation of education minister, He Dongchang. During the past two days, the UNESCO officials held discussion with members of the China National Commission for UNESCO and officials in educational, scientific, cultural and journalistic circles on drafting the second memorandum of cooperation between China and UNESCO.

This afternoon, M'bow inaugurated two UNESCO-supported projects, the Beijing Micro-computer Center at the Beijing Polytechnic University, and the UNESCO library at the branch school of the Beijing Foreign Languages Institute.

Education Minister He Dongchang held a banquet yesterday evening in honor of the director-general and his party. Another banquet in his honor was given today by Li Menghua, minister in charge of the State Physical Culture and Sports Commission.

'GROUP OF 77' LEADERS ARRIVE IN BEIJING 4 AUG

0W040804 Beijing XINHUA in English 0723 GMT 4 Aug 83

[Text] Beijing, August 4 (XINHUA) -- Three noted figures from the Group of 77 arrived here by air this morning on a week-long visit to China at the invitation of the Chinese Ministry of Foreign Affairs.

They are Ambassador Manuel Perez Guerrero, adviser on international economic affairs to the Venezuelan President, Ambassador Kenneth Dadzie, Ghanaian high commissioner in the United Kingdom; and Ambassador Faruq Sobhan, Bangladesh deputy representative to the United Nations and chairman of the Group of 77.

YAN JICI MEETS FOREIGN NUCLEAR PHYSICISTS

0W031541 Beijing XINHUA in English 1450 GMT 3 Aug 83

[Text] Beijing, August 3 (XINHUA) -- Yan Jici, vice-chairman of the Standing Committee of the National People's Congress and honorary president of the Chinese Society of Physics, this evening met foreign physicists who attended an international physics summer school in China's Jilin Province. Vice-Chairman Yan also attended a banquet in the physicists' honour given by the Chinese Society of Physics.

The summer school on theoretical physics was jointly sponsored by the Chinese Academy of Sciences, the Chinese Nuclear Physics Society and Jilin University in Changchun between July 25 and August 1. 30 scholars from the United States, Canada, Britain, Finland, Greece, Japan, Norway and the Federal Republic of Germany took part, together with more than 100 Chinese researchers.

Speaking at tonight's banquet, Qian Sanqiang, vice-president of the Chinese Academy of Sciences and president of the Chinese Society of Physics, said he hoped that Chinese and foreign physicists would further strengthen their cooperation and academic exchanges to contribute to the development of physics.

CHINA DAILY CARRIES NEW EXCHANGE CONTROL RULES

HK030334 Beijing CHINA DAILY in English 3 Aug 83 p 2

["Rules for the Implementation of Exchange Control Regulations Relating to Enterprises with Overseas Chinese Capital, Enterprises With Foreign Capital, and Chinese and Foreign Joint Ventures" -- Approved by the PRC State Council 19 July 1983, promulgated by the State Administration of Exchange Control on 1 August 1983]

[Text] Article 1: These rules are formulated for implementing the provisions of Chapter V of "Provisional Regulations for Exchange Control of the People's Republic of China."

Article 2: In Chapter V of "Provisional Regulations for Exchange Control of the People's Republic of China", the term "enterprises with Overseas Chinese capital" refers to corporations, enterprises or other economic entities registered in China with Overseas Chinese capital or capital of compatriots in Hong Kong and Macao areas, and managed independently or jointly with Chinese enterprises; the term "enterprises with foreign capital" refers to corporations, enterprises or other economic entities registered in China with foreign capital, and managed independently or jointly with Chinese enterprises; the term "Chinese and foreign joint ventures" refers to enterprises jointly established, owned and run in China by corporations, enterprises, other economic entities or individuals with Overseas Chinese capital, capital of compatriots in Hong Kong and Macao areas or foreign capital and Chinese corporations, enterprises or other economic entities.

Article 3: For all business involving foreign exchange receipts and payments, enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures must act in accordance with the stipulations in "Provisional Regulations for Exchange Control of the People's Republic of China" and these rules.

Article 4: Enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures should open renminbi deposit accounts and foreign exchange deposit accounts in China with Bank of China or any other banks approved by the State Administration of Exchange Control (SAEC) or its branch offices, paying and receipting in these accounts being subject to the supervision of the bank with which the enterprises have established accounts. When applying for the opening of the accounts, the enterprises shall submit for verification their operating licenses issued by the State Administration for Industry and Commerce of the People's Republic of China.

Article 5: The solely borne exploration fund and its cooperative development funds and cooperative production fund provided by the enterprises engaged in cooperative exploitation of offshore petroleum resources in China are permitted to be deposited in banks situated in foreign countries or in Hong Kong and Macao areas agreed upon by their Chinese partners.

Article 6: Should they find it necessary to open foreign exchange deposit accounts with banks abroad or in Hong Kong and Macao areas other than the accounts opened in accordance with Article 5 of these rules, enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures should apply to SAEC or its branch offices for approval. The enterprises concerned shall submit to SAEC or its branch offices quarterly statements of payments into and withdrawals from such accounts within 30 days after the end of each and every quarter.

Article 7: All foreign exchange receipts of enterprises maintaining foreign exchange accounts with banks in China in accordance with Article 4 of these rules, must be deposited in the said accounts and all their foreign exchange disbursements incurred in normal business operations can be paid from these accounts.

Article 8: For the implementation of the petroleum operations specified in their contracts, the enterprises with foreign capital engaged in cooperative exploitation of offshore petroleum resources may pay directly outside of China wages, salaries, cost of procurements, various labour costs and service charges to foreign workers and staff members, foreign subcontractors and suppliers. The foreign workers and staff members and foreign subcontractors shall pay taxes on the income earned in China in accordance with the provisions of the tax laws of the People's Republic of China.

Article 9: Enterprises with overseas Chinese capital, enterprises with foreign capital, and Chinese and foreign joint ventures shall submit on scheduled time to the SAEC or its branch offices the following statements with explanatory notes in detail:

(1) Balance sheet as of December 31 of the previous year, profit and loss statement and statement of receipts and payments of foreign exchange for the previous calendar year, to be submitted before March 31 of each year, along with audit reports by auditors registered in the People's Republic of China.

(2) Budget of foreign exchange receipts and payments for the coming year, which should be submitted before December 1 of each year (subsequent amendments, if any, must be reported immediately).

The SAEC and its branch offices are authorized to request the enterprises to provide information about their business activities involving foreign exchange, and to inspect their foreign exchange income and expenditure.

Article 10: Enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures dealing in exchange between Renminbi and foreign currencies must make the currency conversion according to the official rates of exchange published by the SAEC; their foreign exchange receipts from exports may be converted into Renminbi in conformity with the Chinese government regulations governing foreign trade exchange conversions.

Article 11: Except where otherwise approved by the SAEC or its branch offices, foreign exchange receipts realized from exports by the enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures should be transferred back and credited to their foreign exchange deposit accounts with banks in China and the enterprises should also go through the procedure of cancelling their commitments for foreign exchange receipts from these exports.

Article 12: Except in the following cases, Renminbi should be used in the settlement of accounts between enterprises with overseas Chinese capital, enterprises with foreign capital, Chinese and foreign joint ventures themselves on the one hand and Chinese entities, enterprises, individuals residing in the People's Republic of China on the other.

(1) For products manufactured by these enterprises and sold to Chinese entities or enterprises engaged in foreign trade which would otherwise have to import, foreign currencies may be used in pricing and in settlement of accounts, provided that prior approval by Chinese foreign trade authorities has been obtained and that agreement on this arrangement has been reached between seller and buyer; the prices of the products may be such as to be commensurate with those current in world markets.

(2) If enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures purchase, for the sake of production, the commodities exported or imported by Chinese entities engaged in foreign trade, foreign currencies may be used in pricing the said commodities commensurate with those current in world markets and in settlement of accounts, with the prior approval by Chinese foreign trade authorities and the arrangement between the seller and buyer.

(3) Foreign currencies may be used in payment for, and in the settlement of accounts related to construction work performed by Chinese construction entities according to contracts, provided that prior approval by the SAEC or its branch offices has been obtained.

(4) For other items eligible according to the State Council regulation or approved by the SAEC or its branch offices, foreign exchange may be used in pricing and in settlement of accounts.

For the foreign exchange transactions thus approved, receipts and payments may be entered into the foreign exchange deposit accounts of these enterprises.

Article 13: Overseas Chinese investors and foreign investors of enterprises with overseas Chinese capital, of enterprises with foreign capital, or of Chinese and foreign joint ventures may apply to the banks with which they have opened accounts for remitting abroad their net profits after tax deductions as well as other legitimate earnings, by debiting the foreign exchange deposit accounts of the enterprises concerned. At the time of application, the investors concerned should submit for examination a report on profit distribution passed by the board of directors or by other authorities with power similar to the board of directors, documentary evidence showing that all taxes have been duly paid, and the contracts containing stipulations in regard to the distribution of profits or earnings.

Overseas Chinese investors and foreign investors of enterprises with Overseas Chinese capital, of enterprises with foreign capital, or of Chinese and foreign joint ventures should apply to the SAEC or its branch offices in transferring their foreign exchange capital abroad by debiting the foreign exchange deposit accounts of the enterprises concerned.

Article 14: Enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures engaged in cooperative exploitation of resources such as offshore petroleum, coal, and other cooperative and joint ventures, whose costs are recovered and profits are taken in products in accordance with the stipulations provided in their contracts, may send such products out of China but such enterprises should remit the amount of tax due to the Government of the People's Republic of China as well as other required payments. Should the products be sold within China, then they should be handled in accordance with stipulations of Article 12 thereof from. Foreign exchange derived from these sales may be taken out of the country after tax payments and other payments are made.

Article 15: Staff members and workers of foreign nationality and those from Hong Kong and Macao areas employed by enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures may remit abroad their wages and other legitimate earnings after tax deductions, the amounts being debited to the foreign exchange deposit accounts of the enterprises concerned; for the remittance of amounts exceeding 50 percent of their wages and other earnings, they may apply to the SAEC or its branch offices.

Article 16: Foreign exchange expenses incurred in the normal business operations of the branches or offices abroad or in Hong Kong and Macao areas set up with the approval of competent authorities by enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures may be remitted to these branches or offices; debiting to the foreign exchange deposit accounts of the enterprises concerned, with the approval of the SAEC or its branch offices.

Article 17: Enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures may borrow foreign exchange from banks or enterprises situated in foreign countries or in Hong Kong and Macao areas, but must report such borrowings to the SAEC or its branch offices.

Article 18: Enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese and foreign joint ventures winding up operations in accordance with legal procedure should carry out liquidation within the scheduled period, under the joint supervision of the Chinese finance, taxation and foreign exchange control authorities. Overseas Chinese investors or foreign investors should be responsible for their outstanding liabilities and their taxes due in China. After completion of the liquidation, overseas Chinese investors and foreign investors may apply to the SAEC or its branch offices for remitting abroad, from their foreign exchange deposit accounts of the closing enterprises, the funds they own or receive as their share of apportionment.

Article 19: The rules to control foreign exchange receipts and payments of banks with overseas Chinese capital, banks with foreign capital, banks of Chinese and foreign joint ventures and other financial institutions shall be further regulated by the SAEC.

Article 20: These rules are promulgated and put into effect by the SAEC after approval by the State Council.

LIAOWANG ASSESSES DIRECTION OF U.S.-CHINA POLICY

HK040704 Beijing LIAOWANG in Chinese No 26, 20 May 83 pp 8, 9

[Article by Peng Di: "Whither U.S. China Policy?"]

[Text] In February 1983, this journal published my article "On 'Changes,'" discussing the issue that, to suit the needs of the situation both at home and abroad, it seemed the Reagan administration intended to change its foreign policy. However, since the administration was subjectively and objectively restricted, it remained to be seen whether the administration would change its foreign policy and whether its foreign policy would improve or turn sour.

This was the case with the U.S. China policy during that period. It seemed that the Reagan administration was not resolved to change its China policy; yet it would embarrass the Reagan administration if its China policy turned sour.

In the Sino-U.S. joint communique of last August, the Reagan administration reaffirmed that it solely recognizes [chengren 2110 6126] the People's Republic of China, and Taiwan as part of China's territory. It stated in explicit terms that it respected [zunzhong 1415 6850] China's territorial sovereignty and had no intention of interfering in China's internal affairs or pursuing a policy of "two Chinas" or "one China, one Taiwan." It also declared that it intended to gradually reduce its arms sales to Taiwan, leading, over a period of time, to a final resolution. All this seemed to be a positive move and a sign of improvement in the relations between the two countries.

Following the publication of the joint communique, however, certain pro-Taiwan and anticommunist groups in the United States made a hue and cry, accusing the State Department of making too many concessions in order to exert pressure on it. This led some U.S. Government officials to make one dubious statement after another which misrepresented the spirit of the joint communique just to calm down those pro-Taiwan political opportunists who were wagging their tongues in censure. President Reagan's interview with the U.S. rightist weekly HUMAN EVENTS last February is a typical specimen. He said that the entire and sole content of the joint communique is: It is only when China pursues its policy of peaceful unification of Taiwan that the United States will reduce its arms sale to Taiwan; as long as the unification of China has not been realized, the United States will continue to sell its weapons to Taiwan. He stressed that there is no other agreement except this. The interview virtually wrote off at one stroke the fundamental principles and obligations in the joint communique which had been accepted or undertaken by the United States. It regarded the peaceful settlement of the Taiwan question, which is China's internal affair, as a precondition for the reduction and suspension of the U.S. arms sale to Taiwan. This position was itself a negation of the above-mentioned fundamental principles. It seemed then the Sino-U.S. relations were being threatened by another reversal.

In these circumstances, the U.S. State Department presented XINHUA correspondents with a hastily prepared press interview note, along with an earnest, oral explanation that the note had cleared through the White House. While defending Reagan's interview with HUMAN EVENTS, the note made some patching-ups and clarifications to show that "the President's China policy is unchanged." A State Department official, who had another explanation to add, told XINHUA correspondents that the President's interview with HUMAN EVENTS was but a casual remark and not an accurately-worded the comprehensive document, and therefore it should not be taken as an official policy statement, still less a substitute for the joint communique of the two governments.

The United States was trying hard to stall off the public and still the storm.

But one storm followed another. From Capitol Hill came a series of hearings and resolutions regarding Taiwan, a Chinese territory, as an independent political entity severed from China. The Foreign Affairs Committee of both Houses in a draft resolution on 28 February publicly announced that the "future solution of Taiwan (a Chinese territory) conforms to the law formulated by the U.S. Congress" and again tried to use U.S. laws to meddle and intervene in China's internal affairs. As a matter of fact, there was a ready-made U.S. legislation, the "Taiwan Relations Act," which was more than adequate as a means of crude interference in China's internal affairs. Why should the U.S. Government bother to start all over again? This development naturally aroused vigilance on the part of China. But there came another explanation by U.S. officials to the effect that all these resolutions embodied nothing but the aspirations of certain congressmen and did not carry the force of a law, and that there was no need for China to be oversensitive, and so forth.

Let us leave for the time being the question of whether these explanations are true or false. But one thing is absolutely certain: A modern version of the 19th-century power politics is not to be accepted.

What merits attention is that since 17 August, 1982 -- the day when the Sino-U.S. joint communique was published -- the United States has been accelerating the transport of arms to Taiwan in increasing quantities, with the quota for the 1983 fiscal year reaching a staggering \$800 million. After the warnings and protests issued by China, the U.S. side defended itself by saying that after the factor of inflation has been taken into consideration, the actual figure has still not exceeded the highest level of former fiscal years, and attempted by means of the number game to cover up the fact of the impatience of the United States to sell large quantities of arms to Taiwan. This serves only to cloud the prospects of the Sino-U.S. relations, and justify the public doubt whether the United States is earnestly fulfilling its obligations undertaken in the joint communique or just playing political trickery and setting a trap.

Hard on the heels of all these developments was the incident in which the U.S. Government provided "political protection" to Hu Na, a Chinese teenage tennis player. Hu Na is a not so sensible youngster who could not withstand the temptation and pressure in the United States. However, since her childhood, she has always been well taken care of and trained by the state, and the question of "political persecution" and "political protection" absolutely does not exist. However, the experienced and "sensible" U.S. Government not only shirked the duties of a host country in guaranteeing the safety of foreign athletes, but also deliberately made things difficult and even did not scruple to create a pretext for engineering the incident, alleging that Hu Na had been subjected to "political persecution" in China, and hence provided her "political protection." This provocative act was groundless, ill-considered with respect to relations between the two countries, and deliberately designed to hurt China's national feelings, and it served only to open a new crack in the already weakened relations. Such is the status quo of Sino-U.S. relations. From his personal contacts with people of all circles in the United States, this correspondent has obtained the impression that the average American is resentful of this status quo, but the question is, apart from casting a vote every couple of years, the Americans have not much actual power. This correspondent has met many Americans, but apart from a handful of administrators or people studying China problems, very few know about the "Taiwan Relations Act" and much less about the articles in it brazenly interfering in China's internal affairs.

Those who formulate and insist on using this law to prevent the Chinese Government from exercising sovereignty over the Chinese territory of Taiwan are only a handful of politicians with fine words and insinuating manners who have been adept in manipulation inside the Congress. However, once this law has been passed, Americans in general can do nothing about it.

Quite a number of people in U.S. political circles, both in and outside the Reagan administration, have shown foresight and an understanding of the times. They are very much worried about the present state of relations between the United States and China. Those who have studied the "Taiwan Relations Act" simply do not find it on the right track, but they have not been able to do anything about it, except giving forth a reproachful sigh. Some officials in the Reagan administration suggested that the Hu Na incident be handled in a proper and practical manner, but they were turned down by the authorities, who insisted on engineering the incident of "political protection" at the expense of the Sino-U.S. relations. Speaker of the House of Representatives Thomas P. O'Neill, who differs from the administration on that question, can do no more than airing his views.

Sino-U.S. relations thus staggered along in the short period of several months. Is the present situation good or bad? With which side does the trouble lie? Facts are there and public opinion is the best judge.

Does it mean that the U.S. authorities have made their determination and are working obstinately for a retrogression of the Sino-U.S. relationship? The developments are still being watched and one does not want to draw a premature conclusion. But judging from the moves being taken by the U.S. Government, you can never tell that it has the real determination to improve these relations. It is by no means a difficult job to imporve Sino-U.S. relations. It all boils down to the Taiwan question or, to be more precise, hands off Taiwan. It is only logical for the United States to take its hands off Taiwan, since it has established diplomatic relations with China and issued -- jointly with China -- the Shanghai communique, the communique on the establishment of their diplomatic relations, and the communique of August 1982. As far as the United States is concerned, this is not only obligatory but also an easy thing to do, and honor and justice demand that it be done. Did the United States not support, in word, the efforts of the Chinese to reunify their country through peaceful negotiations without foreign interference? Why should it refrain from actually doing so, since this is the only way out and will do good to the United States itself as well as to the Chinese mainland and Taiwan?

The fact that the United States remains reluctant to do a job as easy as anything indicates that it is lacking in determination. For all its high-sounding principles about nor pursuing a policy of "two Chinas" or "one China, one Taiwan," it is sticking to its old way of having a foot in either camp to reap benefits from both sides. But how can it, for that matter, kill two birds with one stone?

It is impossible to maintain such relations for a long time. The situation is pressing. How will the relations develop? Will these relations become better or worse? The United States has to make a decision sooner or later.

I. 4 Aug 83

PRC INTERNATIONAL AFFAIRS  
SOVIET UNION

C 1

KYODO REPORTS PRC, USSR TO RESUME BORDER TRADE

0W040827 Tokyo KYODO in English 0821 GMT 4 Aug 83

[Text] Beijing Aug 4 KYODO -- China and the Soviet Union have agreed on the resumption of trade at three places on their common border, closed about 20 years ago, a government spokesman said here Thursday.

The spokesman of the Chinese Foreign Economic Relations and Trade Ministry said the three trading stations are located at Heihe in Heilongjiang Province and at Helges and Tolgot in Xinjiang Uygur Autonomous Region.

He did not say exactly when the trade would be reopened but that China is now making necessary preparations for the resumption.

XINHUA CITES SECOND TASS STATEMENT ON CHAD

0W040752 Beijing XINHUA in English 0728 GMT 4 Aug 83

[Text] Beijing, August 4 (XINHUA) -- The Soviet News Agency TASS issued a statement last night demanding that the United States and France end their intervention in Chad.

The statement says that intervention in Chad is mounting, becoming increasingly dangerous, and is "threatening peace and international security."

The statement says, "The United States of America, France and some other Western, and not only Western countries, acting both directly and through their stooges and fronts, are trying to reestablish their dominance of African nations, to restrict their sovereignty, and to deny them the right to take independent decisions by themselves."

The statement also accuses the U.S. of exerting "direct military pressure" on Libya and building up tension around Libya "in every way."

This is the second TASS statement on Chad since July 12.

On August 2, Chad requested that the U.N. Security Council convene an emergency session to discuss the situation in that country. The Habre government has accused Libya of intervening in its internal affairs. Washington has also condemned Libya, and indicated that it will consult with France on possible countermeasures. Libya has denied its intervention in Chad.

I. 4 Aug 83

PR C I N T E R N A T I O N A L A F F A I R S  
NORTHEAST ASIA

D 1

HU QILI ATTENDS FETE FOR JAPANESE YOUTH GROUP

OW031719 Beijing XINHUA in English 1651 GMT 3 Aug 83

[Text] Beijing, August 3 (XINHUA) -- The 180 members of a Japanese youth delegation were honored here this evening at a reception hosted by the Chinese People's Association for Friendship With Foreign Countries and the China-Japan Friendship Association.

Present at the reception were Hu Qili and Hao Jianxiu, member and alternate member of the Secretariat of the Central Committee of the Communist Party of China; Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference; Xia Yan, president of the China-Japan Association; and Chu Tunan, member of the Standing Committee of the National People's Congress.

Before the reception, Hu Qili and Hao Jianxiu met the delegation's advisors, Masao Shimizu and Kazuteru Saionji, and the delegation leader, Yoshiaki Yanagimoto. Also present was Yasue Katori, Japanese ambassador to China.

Sun Pinghua, vice-president of the host associations, said: "Sino-Japanese friendship needs Chinese and Japanese youth to succeed, strengthen and develop." He expressed the hope that the youth of China and Japan will work hand in hand for Sino-Japanese friendship and peace in Asia and in the world.

Yoshiaki Yanagimoto said: "Since the signing of the peace and friendship treaty between Japan and China five years ago, exchanges between the two countries in the political, cultural, economic fields have increased remarkably. Japanese youth are determined not to follow the same old disastrous road, after learning the 2,000-year history of friendly contacts between China and Japan and drawing historical lessons from the Japanese militarists' invasion of China." He said Japan-China friendship will only be promoted to a higher stage if the youth of the two countries learn from each other.

TOKYO WORLD NUCLEAR CONFERENCE CONCLUDES

JSP Chairman on CPC Contacts

OW031843 Beijing XINHUA in English 1836 GMT 3 Aug 83

[Text] Tokyo, August 3 (XINHUA) -- Japan Socialist Party [JSP] Chairman Ichio Asukata said here today his party will increase contacts with the Communist Party of China in the future. Ichio Asukata was speaking at a dinner to entertain a Chinese delegation attending the 1983 World Conference Against Atomic and Hydrogen Bombs as observers.

Asukata told the Chinese delegation headed by Shi Ruzhang the Japan Socialist Party had merged longstanding friendly ties with the Sino-Japanese Friendship Association and it established relations with the Communist Party of China this year. He said his party will exert efforts for the promotion of friendly relations between the people of the two countries and for the promotion of peace and friendship among countries in Asia and in the rest of the world.

He said the participation by the Chinese delegation in the World Conference Against Atomic and Hydrogen Bombs is a significant event to the prohibition of atomic and hydrogen bombs and to the defense of world peace.

I. 4 Aug 83

D 2

PRC INTERNATIONAL AFFAIRS  
NORTHEAST ASIA

Declaration Adopted

OW031902 Beijing XINHUA in English 1853 GMT 3 Aug 83

[Text] Tokyo, August 3 (XINHUA) -- The 1983 World Conference Against Atomic and Hydrogen Bombs wound up a three-day international forum here today after adopting a "Tokyo declaration" calling for a total ban on nuclear weapons.

The declaration, approved unanimously by the representatives from 33 countries and 13 international organizations, expressed strong protest against deployment of nuclear weapons in any area, in particular the deployment of intermediate nuclear missiles in Europe and the Asia-Pacific region, and demanded abandonment of such plans and dismantlement of all nuclear arms already deployed.

The declaration called for complete prohibition of research, manufacture, test, stockpiling, deployment and use of nuclear weapons. It also expressed the hope that as a first step toward nuclear disarmament, the United States and the Soviet Union should reach an agreement of the freezing of nuclear arms.

The delegates unanimously asked the Japanese Government to unconditionally stop its program of dumping nuclear wastes in the Pacific Ocean, and asked other countries to do likewise, it said.

In the evening, more than 1,000 people attended an anti-nuclear rally at Hibiya Park and then demonstrated in downtown Tokyo.

Another report said a team of 500 Tokyo citizens arrived at Peace Park in Hiroshima today after 89 days of anti-nuclear march across the country. They will attend a follow up meeting of the International Conference Against Atomic and Hydrogen Bombs to be held in the city August 6.

JAPANESE GROUP VISITS DK 'LIBERATED AREAS'

OW040920 Beijing XINHUA in English 0712 GMT 4 Aug 83

[Text] Beijing, August 4 (XINHUA) -- A delegation from the Japanese Committee of the International Conference on Kampuchea (ICK) visited liberated areas of Democratic Kampuchea [DK] in late July, Radio Democratic Kampuchea reported today.

The 19-member delegation led by Kansuke Ihara was given a banquet July 27 by the vice-chairman of Democratic Kampuchea Khieu Samphan. Ihara said that they witnessed the heroic struggle waged by the Kampuchean people in resisting the Vietnamese aggressors. Convinced that the Kampuchean people will eventually defeat the Vietnamese, he said that after returning home he would continue to support the Kampuchean people's struggle.

During their visit, members of the delegation toured homes, schools, hospitals and temples and saw theatrical performances. Before leaving for home on July 29, the delegation also sent a financial contribution to the Red Cross Society of Democratic Kampuchea.

I. 4 Aug 83

PRC INTERNATIONAL AFFAIRS  
SOUTHEAST ASIA & PACIFIC

E 1

WU XUEQIAN FETES AUSTRALIAN FOREIGN MINISTER

OW031550 Beijing XINHUA in English 1533 GMT 2 Aug 83

[Text] Beijing, August 3 (XINHUA) -- Chinese Foreign Minister Wu Xueqian and Australian Foreign Minister William Hayden said here today that the key to the solution of the Kampuchean question lies in the withdrawal of the Vietnamese troops from that country.

At a banquet here this evening to welcome Australian Foreign Minister William Hayden and Mrs. Hayden and their party, Wu Xueqian said that peace and stability in the Asian-Pacific region and particularly the situation in Kampuchea are still a great concern to China and Australia. He said, there should be a common principle followed by most countries in the international community for the settlement of the Kampuchean issue, that is, the resolutions of the U.N. General Assembly on the Kampuchean issue and the declaration adopted by the international conference on Kampuchea.

Regrettably, the Vietnamese authorities have up to this date stubbornly refused to withdraw their troops from Kampuchea in disregard of the above-mentioned resolutions and declaration. This is why the Kampuchean issue has remained unsolved.

He said, the meeting of foreign ministers of Vietnam, Laos and the puppet regime of Kampuchea held not long ago kept advertising the proposal of "regional dialogue" long rejected by ASEAN and, on the other hand, openly declared that the relevant U.N. resolutions calling for the withdrawal of Vietnamese troops were wrong. This fully shows that Vietnam has no sincerity at all to seek a just and reasonable settlement of the Kampuchean question.

The Chinese foreign minister said, the most pressing task facing the international community is to expose all the political tricks played by the Vietnamese authorities and continue to give firm support to the Kampuchean people in their anti-Vietnamese struggle with a view to forcing Vietnam to withdraw unconditionally all its troops from Kampuchea eventually. Any solution that is not conditional on the withdrawal of Vietnamese troops can only be used by Vietnam to press on with its regional hegemonist policy.

He reiterated that China doesn't seek any self interest in Kampuchea. "Our only concern and hope is the attainment of peace and stability in Southeast Asia on the basis of mutual respect for sovereignty and territorial integrity among the countries in this region. We earnestly hope that after the withdrawal of Vietnamese troops, Kampuchea will become a peaceful, independent, neutral and non-aligned country," he said.

Hayden said for Australia there is particular interest in the developments which have taken place in China during recent years. "I'm quite convinced that developments in Asia and the Pacific are going to determine the future of Australia," he said. [A report by XINHUA Domestic Service in Chinese at 1534 GMT on 3 August omitted this paragraph.]

He noted that Australia-China relations have developed greatly in the past decade. Premier Zhao Ziyang's visit to Australia last April helped further strengthen the relations between two countries, he said.

"In view of the importance Australia places on regional peace and stability we cannot but view with particular concern the situation in Cambodia and its tragic consequences for the Cambodian people and its effects on other countries."

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E 2

PRC INTERNATIONAL AFFAIRS  
SOUTHEAST ASIA & PACIFIC

We firmly believe, as a matter of principle, that a settlement of the Cambodian problem must be based on a withdrawal of Vietnamese troops. During discussions in Canberra during Premier Zhao's visit in April, Australia and China expressed firm agreement on this and other principles. The main problem is in getting from the present situation to one in which there can emerge a neutral, non-aligned and independent Cambodia which can make its own free decisions about which countries it wishes to develop relations with, and the nature of those relations."

Present at the banquet were Han Xu, vice-minister of foreign affairs, Xiao Peng, vice-minister of agriculture, animal husbandry and fishery, Wang Pinquig, deputy to the minister of foreign economic relations and trade, and Australian Ambassador to China H.A. Dunn.

[The XINHUA Chinese Report added the following:

[Australian Foreign Minister Hayden and his party came to visit China on 30 July at the invitation of Wu Xueqian. After visiting Nanning and Quilin, they arrived in Beijing at noon today, and were greeted at the airport by Wu Xueqian. While visiting Nanning and Quilin, the Australian guests were briefed on the situation along the Sino-Vietnamese border.]

#### KAMPUCHEA'S PENN NOUTH IN PRC ON PRIVATE VISIT

OW040311 Beijing XINHUA in English 0241 GMT 4 Aug 83

[Text] Beijing, August 4 (XINHUA) -- Samdech and Madame Penn Nouth of Kampuchea arrived here by air this morning on a private visit to China at the invitation of Deng Yingchao, chairman of the Chinese People's Political Consultative Conference National Committee.

Deng Yingchao greeted them at the guesthouse. She said Samdech Penn Nouth is an old friend of the Chinese people. "Your visit will help enhance our friendship," she added.

The Samdech thanked Deng Yingchao for her invitation. He said: "I am very happy to return to the place where I lived so many years." During his present visit, Samdech Penn Nouth said, he wished to pay his regards to Chinese leaders and get medical treatment.

Deng Yingchao presented the guests with a basket of flowers.

Upon their arrival in Beijing, Samdech and Madame Penn Nouth were welcomed at the airport by Han Nianlong, adviser to the Chinese Foreign Ministry, and his wife Wang Zhen.

#### RENMIN RIBAO ON VIETNAM'S 'FRAMING' OF CHINA

HK040341 Beijing RENMIN RIBAO in Chinese 1 Aug 83 p 6

[Article by Xiang Yang: "A Framing Charge"]

[Text] According to a news dispatch by the VIETNAM NEWS AGENCY [VNA] in early July, China "made plans to send 8 million emigrants to Kampuchea" "in order to replace thousands upon thousands of dead Kampuchean," and China "is going to turn Kampuchea into one of its provinces."

Obviously, this is complete rumormongering. In the news item, VNA neither mentioned its source of information, nor did it say when China had drawn up this "emigration plan," nor did it state clearly by what route China would send immigrants to Kampuchea, which is not among China's neighboring countries. The agency, however, only made those ambiguous statements, such as "has made plans," and intended to throw mud at China.

Even those people who have little general international knowledge know that there are a total of 7 million people in Kampuchea. If China is going to send 8 million emigrants to Kampuchea as VNA reported, the Kampuchean population will be outnumbered. Rumor-mongers should start convincing rumors. But VNA is indeed so stupid that its odd fabrication is not convincing at all. It is hard to blame the Vietnamese authorities, however, as they have fallen into such a ridiculous plight.

A host of facts show that, after invading Kampuchea, Vietnam sent emigrants to every province to the east of the Mekong River. Then, it further sent emigrants to the area around the Tonle Sap Lake, in the interior of Kampuchea. So far, the Vietnamese emigrants in Kampuchea have reached the 300,000 level. These Vietnamese emigrants seize farmlands, fishing grounds, rubber tree forests, and residences from the local people, causing a large number of Kampucheans to be unemployed or bankrupted. Any Vietnamese who willingly settles in Kampuchea is exempted from delivering taxes and enlisting in the Army. When a Vietnamese commits a crime in Kampuchea, the Heng Samrin authorities have no right to handle the case alone but wait for Vietnamese officials to "jointly handle the case." In addition, the Phnom Penh puppet regime has launched a campaign against "narrow nationalism" and encourages the Kampucheans to intermarry with Vietnamese and to study Vietnamese. According to foreign correspondents, officials of the Phnom Penh puppet regime must spend 4 hours a week studying Vietnamese. The realities in Kampuchea show that Vietnam is frenziedly carrying out an evil plan to exterminate the Kampuchean nation.

At an ASEAN foreign ministerial conference which was held in late June, all foreign ministers of the ASEAN countries convincingly exposed Vietnam's crimes of sending emigrants to Kampuchea and of changing the Kampuchean "population structure." The Vietnamese authorities strongly resented their remarks. On the one hand, they described the disclosure of the ASEAN countries as mudslinging and, on the other hand, they carry out their old trick of rumor-mongering by mudslinging to the effect that China "is sending 8 million emigrants to Kampuchea." Thus, the Vietnamese authorities falsely charged China with a crime which they themselves have committed. However, the evil backstage manipulators of the Vietnamese authorities have been caught and they will in no way escape the condemnation of world opinion, even by framing charges.

I. 4 Aug 83

P R C   I N T E R N A T I O N A L   A F F A I R S  
SOUTH ASIA

F 1

SOUTH ASIAN FOREIGN MINISTERS CONFERENCE HAILED

Pakistan Minister's Views

OW031914 Beijing XINHUA in English 1905 GMT 3 Aug 83

[Text] Islamabad, August 3 (XINHUA) -- Pakistan Foreign Minister Sahabzada Yaqub Ali Khan today described the New Delhi meeting of seven South Asian foreign ministers as an important landmark in the endeavours of regional cooperation in South Asia.

He said the cooperation would be based on principles of sovereign equality, territorial integrity, political independence, non-interference and mutual benefit. The decisions at all levels, he added, would be made by the rule of unanimity.

The foreign minister made it clear that regional cooperation would complement and by no means substitute the bilateral cooperation between the countries of the region or between each of them and other nations.

He said Pakistan has allocated 3.6 million rupees for implementing the integrated program of action agreed upon by the regional foreign ministers.

RENMIN RIBAO Commentary

OW040747 Beijing XINHUA in English 0719 GMT 4 Aug 83

[Text] Beijing, August 4 (XINHUA) -- The PEOPLE'S DAILY today carries a commentary on the recent meeting in New Delhi of South Asian foreign ministers. It hails the meeting as a contribution to regional stability and economic development in the seven South Asian nations.

The commentary states that "It is completely in the interests of the people of the seven countries to develop friendly cooperation in various fields on the basis of equality and mutual benefit. The South Asian foreign ministers' meeting has decided to carry out regional cooperation to hasten economic and cultural development, to promote social progress and to improve people's lives. Naturally this is the correct path to follow toward collective self-reliance and common prosperity."

The commentary says that the South Asian foreign ministers' meeting is a major event for the countries in the region. Cooperation among those countries, part of the "South-South cooperation" among developing nations, will help in the building of a new world economic order.

The commentary expresses the hope that the seven South Asian countries will resolve their differences by means of consultation in the interests of maintaining peace and stability in the region.

I. 4 Aug 83

PRC INTERNATIONAL AFFAIRS  
EASTERN EUROPE

H 1

PRC COMMUNE DELEGATION ENDS VISIT TO HUNGARY

OW031327 Beijing XINHUA in English 1317 GMT 3 Aug 83

[Text] Budapest, August 2 (XINHUA) -- The Chinese-Hungarian friendship people's commune delegation left here today for home after its first visit to Hungary after a lapse of over 20 years. The five-member delegation was led by Sun Yulou, manager of the Huangtugang agriculture-industry-commerce integrated corporation of Beijing Municipality.

Huangtugang People's Commune forged friendly ties with the Hungarian Perkata cooperative in spring, 1961. In spring this year, the Perkata Hungarian-Chinese friendship cooperative sent a delegation to visit China.

During its stay in Hungary, the Chinese people's commune delegation visited a number of agricultural and industrial enterprises and met leaders from some departments concerned.

PRC ATTENDS BUDAPEST ESPERANTO CONFERENCE

OW040031 Beijing XINHUA Domestic Service in Chinese 1509 GMT 1 Aug 83

[Text] Budapest, 31 Jul (XINHUA) -- The 68th international Esperanto conference opened here ceremoniously this morning. Nearly 5,000 delegates from more than 50 countries attended the opening ceremony. An 11-member Chinese delegation, led by Chang Qicheng, secretary general of the All-China Esperanto League, was present.

The ceremony was addressed by Sandor Gaspar, vice chairman of the Presidium of the Hungarian People's Republic and supreme supervisor of the conference. Chinese Ambassador to Hungary Ma Lie and a number of other foreign envoys also spoke at the ceremony.

In the past century or so since Esperanto was made public by L.L. Zamenhof, a Polish ophthalmologist, more than 10 million people in several dozen countries have familiarized themselves with the use of this language. China began to teach Esperanto in the 1930's. Use of this language in China and in Chinese people's international contacts has developed quickly since liberation, thanks to the help from the CPC and the People's Government. Approximately 80,000 people in China are studying Esperanto.

The present week-long international Esperanto conference's activities will include academic reports and spoken drama in Esperanto.

An international children's Esperanto meeting opened in Budapest at the same time.

RENMIN RIBAO DISCUSSES YUGOSLAV ECONOMIC PROGRAM

HK031244 Beijing RENMIN RIBAO in Chinese 31 Jul 83 p 6

["Newsletter From Yugoslavia" by RENMIN RIBAO reporter Yan Zheng: "The Yugoslav People Will March Ahead Under the Guidance of the 'Program'"]

[Text] The "concluding" part of the Yugoslav "long-term program for economic stability" (abbreviated as the "program") was adopted at the Yugoslav Federal Assembly on 29 July. A relevant decision was also reached on the start of efforts to implement the whole "program."

The Yugoslav people have placed a high value on the great significance of the "program." They think that this will become Yugoslavia's common ideological and political foundation for overcoming current difficulties and realizing stable social and economic development on the basis of autonomy, and is an indicator of "the fundamental direction for general social development" and a major strategy for a profound change in Yugoslavia's social economy.

Since the appearance of difficulties in Yugoslavia's economy, some hostile elements from both the "left" and right sides have attacked the autonomy system. On certain general and specific policies for economic development, different views have also existed among political circles and economic experts in Yugoslavia. This has, to a certain degree, prevented Yugoslavia from taking immediate and effective measures to overcome difficulties and develop the economy.

The adoption of the "program" has pointed to a consensus of opinion in Yugoslavia on such major issues as the assessment of unstable economic factors, how to take effective measures to eliminate unstable factors, the stimulation of overall economic development, and so forth. Various republics, autonomous provinces, and social and political organizations have expressed readiness to "unanimously and resolutely" implement the long-term program, to regard this matter as a common task of top importance, and to take the long-term program as a basis for unifying thinking and action. This will undoubtedly produce a great impact on Yugoslavia's strategic task for overcoming difficulties and realizing economic stability.

Apart from the "concluding" part, the whole "program" also contains "fundamental starting points" and 15 plans on given subjects. The whole document has not only profoundly expounded in theory the steady development of Yugoslavia's economy but has also defined concrete long-term development plans to solve 15 economic problems, such as inflation, employment, housing, public amenities, economic relations with foreign countries, technical development, communications, energy and power, small economy, development of agricultural and industrial production, and so forth.

An important idea permeating the whole document is "reform." Planinc, president of the Federal Executive Council, pointed out that this is a program for "profound reform" that involves various fields covering the "economic system" and also "work methods." The aim of reform is to further perfect the autonomy system and to show respect for objective economic laws, so that workers can really make decisions on production, income, and distribution.

The "program" has also defined the tasks and duties of social economic and political organizations at various levels in stabilizing the economy. In the process of discussion, Yugoslavia comrades realized that strengthening the sense of responsibility was a most important prerequisite for the realization of a stable economy. "Without a sense of responsibility, there is no stable economy." In their speeches at the assembly, some delegates also stressed that those people who could not realize the task of stabilization, or those who could not achieve the expected results, would be transferred from their posts and replace by those who worked both willingly and efficiently.

Now, from the federation to various republics and autonomous provinces, even to organizations of associated labor, concrete steps are being defined for the implementation of the "program."

The Federal Executive Council has specially set up a committee headed by Planinc, president of the Federal Executive Council, to take charge of the formulation and implementation of the plan for the "long-term program for economic stability." According to the tentative idea of this committee, two stages will be involved. At the first stage, concrete economic measures are to be taken immediately, from now on, to stop unhealthy trends in economic development. At the second stage, or beginning in 1985, every effort will be made to realize the whole goal of social development. From various republics to autonomous provinces to basic-level units like organizations of associated labor, committees are also to be set up at all levels for the implementation of the long-term program. Based on the federal plans, these committees are to formulate their own plans to ensure the implementation of the long-term program.

At present, certain republics and autonomous provinces and even some industrial and mining enterprises are formulating concrete measures for expanding production, increasing exports and servicing foreign debts. Some major factories are effecting reforms and have switched over to the use of the country's own materials and fuels. Some factories producing goods for export have broken with their traditional practice and refrained from closing for the summer vacation. Instead, they are expanding production in order to earn more foreign exchange for the state. People can foresee that the Yugoslav people will follow the way shown by the "program" and will forge ahead undaunted by difficulties.

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CHEN MUHUA TO VISIT THREE AFRICAN COUNTRIES

OW040754 Beijing XINHUA in English 0725 GMT 4 Aug 83

[Text] Beijing, August 4 (XINHUA) -- China's State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua will leave here tomorrow for friendly visits to Tanzania, Zambia and Seychelles at the head of a Chinese Government delegation.

This was announced by Huang Wenjun, spokesman of the Ministry of Foreign Economic Relations and Trade, at a news briefing here today.

The Chinese Government delegation will exchange views with leaders of these African countries on further strengthening and developing friendly relations and economic and technical cooperation, Huang Wenjun said.

In Tanzania, he said, the Chinese Government delegation will attend the 4th round of technical cooperation negotiations among the Governments of China, Tanzania and Zambia on the Tanzania-Zambia railway.

Vice-Minister of Foreign Economic Relations and Trade Lu Xuejian and Vice-Minister of Railways Li Xuan will be deputy heads of the Chinese Government delegation, he said.

CHAD ISSUE DISCUSSED BY UN SECURITY COUNCIL

OW040317 Beijing XINHUA in English 0212 GMT 4 Aug 83

[Text] United Nations, August 3 (XINHUA) -- At the request of Chad, the U.N. Security Council held an urgent meeting this afternoon to consider what Chad called "open Libyan aggression against Chad".

The Council heard the statements of both the representatives of Chad and Libya.

Ramadane Barma, representative of Chad, accused Libya of "intensifying its aggression" against Chad.

He charged that the Libyan Air Force bombed the territory of Chad which resulted in a great many casualties.

He said that in spite of this, Chad remained always ready to engage in dialogue in order to achieve a peaceful solution to the conflict.

Awad S. Burwin, representative of Libya, reiterated his government's denial of all the allegations made by Chad. "Libya does not intervene in the affairs of Chad and has not sent planes or forces there", he stated.

He said that France and the United States had given assistance to Chad.

The next meeting of the Council would be determined during consultations among the Council members.

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HU YAOBANG DELIVERS SPEECH IN QINGHAI 31 JULY

0W040641 Beijing XINHUA Domestic Service in Chinese 1135 GMT 3 Aug 83

[Text] Xining, 3 Aug (XINHUA) -- At a meeting of leading party, government, and Army cadres in Qinghai Province, Hu Yaobang, general secretary of the CPC Central Committee, pointed out: Qinghai is a strategic area in China's four modernizations drive, which shows great promise but is yet to be developed. In the next 5, 10, or 15 years, all economic work in Qinghai must center on large-scale development of the province to create conditions for shifting the focus of national construction to the great northwest by the end of this century and the beginning of the next century.

He urged the cadres now in Qinghai to work hard to make China prosperous and strong and to take root and blossom in Qinghai. He stressed that it is necessary to strive to attract young and middle-aged cadres and intellectuals in scientifically and culturally more developed areas, especially young people who are willing to do pioneering work in Qinghai, to come here to settle down and take part in the great heroic undertaking of developing Qinghai. He pointed out that the purpose in educating the young people certainly is not simply to guide them to learn science and technology and professional skills, but to pay great attention at the same time to cultivating their revolutionary spirit and lofty ideological and moral character to explore and forge ahead, exert themselves and make progress, and heroically dedicate themselves to the motherland and the people.

Comrade Hu Yaobang made a 10-day inspection tour of various parts of Qinghai, the highland and cold province in the northwest, in the latter part of July and carried out extensive contacts and talks with leading comrades and cadres and masses of various nationalities in Qinghai Province. Before he departed from Xining on the morning of 31 July, Comrade Hu Yaobang made an important long speech, entitled "Be Determined as the Foolish Old Man Who Moved the Mountains To Develop Qinghai Province," to leading cadres in Qinghai Province. His speech is divided into four parts.

1. Qinghai is a strategic area in China's four modernizations drive, which shows great promise but is yet to be developed.

He said: "More than 2 months ago, I said in Xinjiang that by the end of this century and the beginning of the next century, the focus of our country's economic development inevitably will be shifted to the great northwest. This is not my personal view, but the common view of the central leading comrades. After my current inspection tour of Qinghai, this view has been further proven to be correct.

"Qinghai is a remote province of the motherland with a vast territory. Its area is equivalent to seven Jiangsu's and more than one-fourth larger than Sichuan. Of course, Qinghai has two main disadvantages in its natural environment. First, the entire province is in a high and cold zone. Second, many parts of the province are desert and dry areas. However, neither of these two disadvantages is an insurmountable obstacle to the development of Qinghai. Although Qinghai is dry, there is abundant surface water and groundwater in many areas. Once the water is developed and utilized, these places can be turned into oases. As to high elevation and cold climate, they naturally bring many difficulties to production and people's livelihood, but it is exactly because of the high elevation and cold climate that there are such special animal and plant resources as yaks, Tibetan sheep, Chinese caterpillar fungus, and so forth. And, with progress in science and technology, we can also overcome, or at least reduce, the negative effects of high elevation and cold climate. Once we have solved this difficult scientific problem, we will provide a new experience for mankind in taming high elevations and cold climates."

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He enumerated a number of Qinghai's advantages:

-- It has abundant energy resources, with exploitable hydroelectric resources totaling 20 million kilowatts in installed capacity, and the development conditions are good. Qinghai is richly endowed by nature with solar and wind energy resources. There are also possibly very large deposits of coal, petroleum, and natural gas. The advantage in energy resources is Qinghai's most fundamental condition for modern economic development.

-- There are huge salt deposits rarely seen in the world, as much as over 50 billion metric tons. This will be the major base of salt chemical industry, one of the three major chemical industries to be greatly developed in future. Particularly the sylvite deposits, which are urgently needed for agricultural production, are of high grade and account for about 97 percent of the country's total reserves, ranking among the largest in the world.

-- It has the country's largest reserves of long-fiber asbestos, a large-scale lead-zinc mine at Xitieshan now under construction, and scores of other fairly abundant mineral resources. These mineral resources provide favorable conditions for industrial development of Qinghai.

Hu Yaobang pointed out: Of course, to fully develop such abundant treasures bestowed on us by nature and to turn them into real wealth for socialist China is certainly not the work of a single day. It will take the unremitting efforts of at least one or two generations.

He stressed: We communists must base ourselves on the present, look to the future, and establish our confidence in the sure victory of our great cause.

## 2. You have laid a preliminary foundation for the development of Qinghai.

Hu Yaobang said: "In the 3 decades and more since liberation, comrades from other parts of China and local cadres in Qinghai have closely united with the people of various nationalities here, shared a common fate with them, and turned old Qinghai, long under feudal serfdom, into new socialist Qinghai. You have put an end to the prolonged divisions among the various nationalities in Qinghai and have established relations of harmony, equality, unity, and mutual assistance among them. You have indeed brought about an earth-shaking change in Qinghai."

He compared the situation of Qinghai before liberation with its situation after liberation:

-- Before liberation, Qinghai was hard to get to and had no railways. It now has more than 1,300 kilometers of track on its two trunk lines -- the Xining-Lanzhou railroad and the Xining-Lhasa railroad -- and three feeder lines, running through mountains, deserts, salt lakes, and swamps. The province also has more than 15,000 kilometers of highways, with bus service to every county and to most of its people's communes. Civil air service covers 4,000 kilometers. These transportation services have closely linked Qinghai with other parts of the motherland.

-- Before liberation, Qinghai had only eight handicraft workshops. It now has some 1,300 industrial enterprises, producing consumer goods, textiles, iron and steel, coal, power, oil, chemical products, machinery, electronic products, and building materials. Its fixed industrial assets have increased 300-fold.

-- Qinghai has greatly developed its agriculture and animal husbandry. Its grain output in 1982 more than trebled the 1949 figure, while production of oil-bearing crops rose nine times and livestock increased by nearly 200 percent.

-- Before liberation, Qinghai had no colleges. Now, a total of 750,000 students study in 7 colleges, more than 30 secondary schools, and more high schools and primary schools. Qinghai has brought endemic and contagious diseases under effective control.

-- Many new cities, towns, and housing developments have gone up in the once uninhabited wilderness. They include Golmud, Delingha, Da Qaidam, Mangnai, Gangca, Haomen, Menyuan, and Gonghe.

He said: "Of course, some mistakes, including serious ones, were once made in connection with the work in Qinghai. Otherwise, your achievements would have been greater still. However, the comrades in Qinghai are not to blame for those mistakes, because they were caused by the erroneous line and principles of the central authorities at that time."

He pointed out: Since the 3d Plenary Session of the 11th CPC Central Committee, Qinghai has set things right and its work in various fields has again been on the right track of development. The people of various nationalities now have peace of mind. They have accelerated the pace of production and construction and have greatly improved their livelihood.

He said: "The Central Committee is very satisfied with the leading members of all previous and present Qinghai Provincial CPC Committees, who have resolutely implemented the correct line laid down by the Central Committee. It is also very satisfied with your struggle in unity and your effective work. The Central Committee fully trusts you."

He said: "Cadres at various levels, workers, and PLA commanders and fighters have braved hardships and danger, sweated and toiled, and made contributions on various fronts for the people of various nationalities in Qinghai. Scientists, technicians, and educational, cultural, health, and physical cultural workers have quietly immersed themselves in hard work and contributed to the construction of Qinghai. Their outstanding achievements will go down in the history of Qinghai whether they are still in Qinghai or not, whether they are still alive or not. The people will never forget them, nor will the party ever forget them."

### 3. A task of the comrades in Qinghai is to create conditions for the large-scale development of Qinghai.

Hu Yaobang pointed out: The whole party and the people of various nationalities throughout the country now have greater and greater confidence in the accomplishment of the strategic objective of quadrupling the gross annual value of industrial and agricultural production before the end of the century, set by the 12th CPC National Congress. Qinghai also has had some tentative ideas about quadrupling the output value.

He said: "Qinghai must closely integrate the task of quadrupling the output value with the task of creating the conditions for shifting key state construction projects to the vast northwest region."

Hu Yaobang said: "Of course, we should rely to a great extent on the construction of key state construction projects to promote the development of Qinghai. During the Sixth 5-Year Plan period, the state will build seven key projects in Qinghai. The number of key state projects to be built in Qinghai during the Seventh 5-Year Plan period will not be smaller than this. What is important is your preparatory work and it is a decisive condition. If your preparatory work is poor, it will be difficult for the state to make arrangements, nor will it be easy for you to take concerted action. Conversely, if the preparatory work is done well, thus creating better conditions, both the state and you will have greater hope of success."

Hu Yaobang primarily discussed two questions concerning the conditions to be created and the preparations to be made. One is that the province must push the development of its agriculture and animal husbandry. The other is that the province must use financial and material resources where they are most needed.

On the question of agriculture and animal husbandry, he said: We have drawn an important lesson from our past guiding principle for agriculture (including forestry, animal husbandry and fishery) -- that is, for a long time, we wanted to rely on state investment and orders to force peasants, herdsmen, and fisherman to undertake this or that, thus wasting a great deal of money and failing to achieve good results. Since the 3d Plenary Session of the 11th CPC Central Committee, we have made an important change in this respect. Now, we rely primarily on correct policies and at the same time, give necessary financial and material support to bring into play the initiative of the broad masses of people in the countryside. In the last few years, facts have shown that this principle yields good results. Now we have a new question: Is the principle of relying primarily on correct policies to bring into play the initiative of the broad masses still effective? If it is no longer effective, we will have to resume our old practice -- to request money from the state. Of course, this is not true. Our correct policies still have their might. Therefore, we still should rely primarily on the correct policies, which are constantly being perfected, so as to develop agriculture on a still larger scale.

He emphasized: This is a general guidance which we must set our more clearly and definitely.

He said: We should know that Qinghai's agriculture has a great potential. Take the agricultural region in Haidong Prefecture in the Huanghe and Huangshui River valleys for instance. It covers 17,000 square kilometers, an area slightly larger than Beijing. In climate, Beijing is better than Haidong; but in soil, Haidong is better than Beijing. While Beijing has a rural population of 5 million, Haidong has only 1.7 million, with each person having as much as 13 mu of land. The comrades in Huangzhong County said that their per-household income is nearly 1,000 yuan. I told them that as they have a large area of land, they can double their income by integrating agriculture with animal husbandry, if each family raises a milk cow and derives an additional income of over 1,000 yuan from it. Only by integrating agriculture with animal husbandry can we make them promote each other. Therefore, agricultural regions must resolutely adhere to the principle of integrating agricultural with animal husbandry. In areas where there is hilly land, it is necessary to seriously implement the policy concerning private plots of hilly land and contracted plots of hilly land and integrate agriculture, forestry, and animal husbandry. In order to develop forestry, we should collect the seeds of grasses, shrubs, and trees that suit local conditions, and implement principle of growing grass, shubbery, and trees at the same time. In areas where it is hard to sow manually, we should conduct aerial planting as much as possible. You should use simple language to call on the peasants and herdsmen to grow grass and trees and work ingeniously in order to become well to do. The suburban areas of new cities and towns should resolutely shift the stress of their work to producing nonstaple food for city and town residents. In this way, both the urban residents and the suburban peasants will be benefited and satisfied.

He pointed out: Animal husbandry is the principal strong point of Qinghai's agriculture. With 500 million mu of grassland that can be utilized, Qinghai is one of the five major pastoral areas of the nation. You must attach special importance to animal husbandry, further implement the various policies for developing animal husbandry, and earnestly popularize the all-round contract system with regard to grasslands and livestock.

On this basis, efforts should be made to guide the vast number of herdsmen to gradually improve grasslands, develop artificial grasslands, improve the breed of livestock, and develop a primary processing industry of livestock products, native products, and local specialities of grassland areas by providing demonstrations and examples, carrying out persuasion and education, popularizing science and technology, and providing all kinds of production and technological services. If you work persistently along these lines you will certainly be able to lift the pastoral areas of Qinghai out of backwardness and build them into prosperous and thriving animal husbandry bases which will make tremendous contributions to the state.

He stressed: There is an indispensable, important link in promoting agriculture and animal husbandry, that is, we must enliven the circulation of commodities in the vast pastoral areas by every possible means. It is necessary to vigorously attend to the purchasing and marketing of such livestock products as leather, fur, meat, bones, and horns as well as all kinds of native products and by-products of grassland areas including mushrooms, caterpillar fungus, ferns, dangshen [codonopsis pilosula], edible moss, rhubarb, astragalus membranaceus and epheadra sinica and open up all channels of circulation, including giving the peasants and herdsmen a free hand in developing households specializing in purchasing, marketing, and transporting. We must note the tremendous latent enthusiasm among the peasants and herdsmen for developing production of commodities. The vast number of peasants and herdsmen will be started voluntarily so long as we actively carry out purchasing and marketing work well, make the prices comparatively reasonable, help them grasp the necessary scientific and technological knowledge and provide them with production and technological services.

With regard to the question of making efficient use of financial and material resources, Hu Yaobang said: Your annual financial revenue is over 100 million yuan. This, plus the state subsidy of 500 million yuan, if used efficiently, can get many things done. From now on, you should not pin your hopes on increased state subsidies. Instead, you should pin your hopes on the efficient use of your own financial and material resources in projects needed in creating the conditions for large-scale development of Qinghai. He said: In addition to direct investment in the development of agriculture and animal husbandry, the financial and material resources should be used in the development of the following four areas:

-- In energy. Efforts should be made to set up small coalpits and especially develop power production. We should do our best to convert coal, water, oil, wind and other energy resources into electricity. For example, do the areas surrounding Qinghai Lake dare to envisage achieving electrification in about 20 years? In my opinion, and fundamental way to solve the energy problem is to strive to achieve nationwide electrification in both urban and rural areas in 30 to 50 years. This is a strategic policy. At present, other measures may also be adopted, but they are temporary measures we cannot but adopt in the absence of alternatives. Only after we achieve electrification, can the problems of protecting grasslands, forests, and vegetation, which are a constant source of our worry, be solved once and for all.

-- In transportation. Adopt the method of having transportation run by the local people with state subsidies to make the communications and transportation network better and more widespread. I also favor the operation of some modern helicopters in five or six provinces and regions located in highlands with vast areas, which will be conducive to strengthening communications and liaison and to dealing with emergencies.

-- In transforming and developing small- and medium-sized industries which serve the development of agriculture and animal husbandry and the masses' life, including the processing industry of livestock products, native products and local specialties with raw materials available in the province, the construction material industry and the production of special goods used by minorities. Great efforts should be made to turn out, in a few years, a number of Qinghai products which are first-rate in the nation.

-- In bringing about a large number of scientific and technological personnel of all nationalities who are willing to struggle for the socialist undertakings of Qinghai. This undertaking, of course, requires some financial investment. However, what is more important is that we should be resourceful in the development of intellectual resources.

He said: During this inspection tour, I also noticed the problem of houses and structures adapting to the peculiar features of cold highland areas. It seems that it is not suitable to mechanically copy the thin roofs, thin walls, and single-pane windows of warmer areas lest it waste energy resources and not preserve heat.

He said: "Naturally, there are still many issues that we have not yet touched upon. The main theme of the above-mentioned remarks I have made is that in the next 5, 10 and 15 years, all the work in the economic field must be carried out with emphasis on creating conditions for developing Qinghai on a large scale. Thus, we will be able to do a still better job with each passing year in creating a new situation in Qinghai."

4. The key is to build a contingent of cadres who are both intelligent and courageous and who are able to lead the people of all nationalities throughout the province to forge ahead indomitably.

Hu Yaobang said: Past experiences have repeatedly shown that in promoting our cause, we must mainly rely on two things. First, we must have the correct line, principle, and policy. Second, we must have a strong contingent of cadres. The party's line, principle, and policy have now been clearly defined. The situation among cadres has also been greatly improved after setting things right and implementing the policy. However, compared with our party's heavy responsibility in history, the contingent of cadres still has many problems and is far from being ideal. The central authorities have emphatically called for efforts to ensure that the cadres "become more revolutionary, better educated, professionally more competent and younger"; to readjust the leading groups at all levels; to pay attention to building the "three echelons"; and to spend the next 3 years from this winter in party rectification. All this is aimed at further solving problems in building the ranks of cadres. Remote areas where conditions are harsh, such as in Qinghai, should pay even greater attention to this point.

He said: In this regard, the comrades in Qinghai must pay attention to solving the following problems:

First, in dealing with the cadres who are now in Qinghai we must earnestly encourage them to take root and blossom while working hard for the prosperity of the country. We realize that many comrades have taken root, blossomed and borne fruits in Qinghai. Naturally, some of the comrades are advanced in age. Among them, there are those who have found the natural environment in Qinghai unsuitable and some of them are in poor health. I agree that they should be allowed to return to the interior and that arrangements should be made to help them resettle according to relevant regulations. Those who are willing to stay in Qinghai should be encouraged to do so and proper arrangements should be made to help them settle down.

As for those who are now working at various posts, the overwhelming majority of them are working diligently and conscientiously. They quietly immerse themselves in hard work, maintain close ties with the masses, and enthusiastically forge ahead. However, there are indeed some cadres who are afraid of difficulties, seek ease and comfort, stick to old ways, and divorce themselves from the masses to the extent of making use of their official positions and power for private gain. Naturally, this is a nationwide problem. It is not a problem that only prevails here. This calls for efforts in education. It is particularly necessary to solve this problem well in the course of party rectification. Efforts must be made to bring into full play the fine style of keeping in close touch with reality, keeping abreast of the situation, and timely discovering and solving problems; the spirit of relying on our own efforts, improving ourselves unremittingly, fearing no difficulties, and dedicating ourselves; and the pioneer spirit of daring to create something new and to forge ahead. It is necessary to vigorously encourage people to study and master modern science and culture so as to score even greater achievements in one's work and raise the level of one's ideological and political awareness and one's knowledge in modern science and culture to an even higher level with each passing year. I believe that all these represent the most basic requirement of Marxism-Leninism-Mao Zedong Thought. It is essential to boldly promote to leading posts those younger comrades who have enthusiastically continued to forge ahead and have scored achievements in creating a new situation; we must ensure that the strategic task of establishing the "third echelon" put forward by the central authorities is fulfilled within a short period.

Second, strenuous efforts must be made to attract middle-aged and young cadres and intellectuals from areas where science and culture are much more developed, particularly those young comrades who are willing to do pioneering work in Qinghai and to settle down and participate in the great cause of developing Qinghai. You have already heard this point. I would like to offer the following suggestions for your consideration:

1. This place is high and cold. Therefore, those comrades who are advanced in age and physically weak should not be asked to stay here over a protracted period.
2. As for those college graduates who have been assigned by the state to work in Qinghai but who really do not want to work here, we should not force them to come here and should let the original job-assigning unit handle their cases. Otherwise, even if they come here they will not be able to keep their mind on their work. This will only serve to destroy morale.
3. It is necessary to fully brief all the comrades who are willing to come to Qinghai on the actual situation in the province including the difficulties and hardships they might encounter. At the same time, we must give them preferential treatment in livelihood and remuneration so that their living conditions and remuneration will be somewhat different in Qinghai as compared with those who work in the inland areas. The various departments at the central level are responsible for helping to arouse those young comrades with the pioneering spirit to work in Qinghai, but it is your responsibility to make the proper arrangements to help them settle down and put their wisdom and talents to full use after they come here.

Hu Yaobang said: "I also want to stress another question; that is, after all, what kind of mental attitude do we want to cultivate among youths. The CPC Central Committee has always held that the education of youths does not simply mean guiding them in studying science and technology and acquiring professional skills. It holds that at the same time great importance should be attached to cultivating their revolutionary spirit, lofty ideology, and moral character of doing pioneering work, working hard, making progress and heroically dedicating oneself to the motherland and the people."

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"Currently schools in some localities have a major problem in education, youth work, and party ideological work; that is, one-sided emphasis on acquiring knowledge and diplomas alone while not placing emphasis on or completely ignoring the need to cultivate ideology and moral character. This should arouse the attention of party and CYL organizations as well as educational departments at all levels. I believe that as long as we provide sincere guidance, the fine ideology and moral character will certainly be fostered among the young generation."

In conclusion, Hu Yaobang said: "The subject of my speech is entitled 'Be Determined as the Foolish Old Man Who Moved the Mountains To Develop Qinghai Province.' This determination must be made by the whole party, the entire Army and the people of all nationalities throughout the country. But first of all, it must be made by the cadres, party members, CYL members and the people of all nationalities in Qinghai. I hope that unity will be strengthened even more closely between the Army and civilians, between the cadres and the masses, among the people of all nationalities, between Han nationality cadres and minority nationality cadres, between new and veteran cadres, and between cadres who are from other localities and local cadres in Qinghai; and that they will rally around the party Central Committee, be determined to become the foolish old man of the present era, make unremitting efforts to improve themselves and continue to forge ahead. Efforts must be made to work hard one generation after another and develop Qinghai into a modern advanced area. We will not stop until we have reached our goal."

SPOKESMAN ON FAMILY PLANNING WORK POLICY

OW031229 Beijing XINHUA in English 1136 GMT 3 Aug 83

[Text] Beijing, August 3 (XINHUA) -- A spokesman of the State Family Planning Commission told XINHUA today that it is China's consistent policy to encourage people to practice birth control voluntarily. The Chinese Government has never resorted to compulsory means to force sterilization among people.

He said in an interview that there were individual cases of using compulsory measures due to the simple working method of local cadres and staff members. But the government will take prompt measures to stop them, whenever it discovers such cases, he stressed.

The spokesman was commenting on slanders spread by certain foreign newspapers and individuals that the Chinese Government adopts compulsory measures in family planning.

The spokesman said that conducting publicity among the masses and relying on their willingness to practise birth control is the mass line China follows in family planning.

He pointed out that the Chinese Communist Party and government have always laid stress on people's willingness in promoting family planning and opposed commandism. He recalled that the party Central Committee stated in a document issued last January that publicity and education must be emphasized in family planning work and commandism avoided.

The spokesman pointed out that China has conducted a great amount of thoroughgoing and painstaking persuasion and education on family planning among the people through a variety of ways.

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Following adequate publicity, he said, the government encourages people in rural areas to use contraceptives on a voluntary basis. For couples already with two children, one spouse is encouraged to have the ligation as far as possible, and women who already have one child are advised to have the intrauterine devices.

This approach has been adopted after summing up years' experience of working among Chinese peasants, the spokesman said. Being helpful to the control of population growth and to the health of women, this approach has received enthusiastic response from people of child-bearing age, he added.

It is groundless to equate individual cases of using compulsory measures in some places to the policy of the Chinese Government, the spokesman said. Doing this would be distorting the true picture of family planning work in China, he said.

KEY STATE SCIENCE, TECHNOLOGY PROJECTS LISTED

OW040215 Beijing XINHUA Domestic Service in Chinese 0252 GMT 3 Aug 83

[Text] Beijing, 3 Aug (XINHUA) -- The state's 38 key scientific and technological research projects for the Sixth 5-Year Plan period are as follows:

1. Agricultural seed varieties and technical systems for animal breeding.
2. Comprehensive technology for increasing produce output in agricultural zones.
3. Fodder development technology.
4. Selection and cultivation of fast-growing tree saplings; comprehensive utilization of timber.
5. Development of new, highly effective insecticides with low harmful residues.
6. Research to raise the proportion of phosphatic and potassium fertilizer in composite chemical fertilizer.
7. Research on projects to divert water from south to north China.
8. Food storage, preservation, and processing technology.
9. Research and development of light and chemical industrial products for everyday use.
10. Research of chemical fiber textile technology and equipment.
11. Woven fabric printing, dying, and sorting technology.
12. Coal excavating technology.
13. Technical development of long-distance coal transport conduits.
14. Technical research to improve petroleum drilling and extracting efficiency and petroleum flow at controlled temperatures.
15. Technical development of large hydroelectric power stations.
16. Development of energy conserving technology.

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17. Development of new energy sources.
18. Coal gasification development.
19. Coal conversion and burning technology.
20. Methods of prospecting for petroleum, natural gas, sylvite and other important mineral resources.
21. New building materials research.
22. Technology and equipment for cement decomposition outside of kilns.
23. Technical development of float glass.
24. Excavation and comprehensive utilization of associated ores of the three major mines, lead, zinc, copper, manganese, molybdenum, tin, aluminum, gold and Jiangxi heavy rare earth.
25. Petrochemical reprocessing [shen du jia gong 3234 1653 0502 1562] and comprehensive utilization of petrochemicals.
26. Research of new materials development.
27. Dressing technology of poor red iron ore.
28. Basic machine-building industrial technology.
29. Development and manufacture of complete sets of large-size equipment.
30. Large integral circuit production technology and technological development of electronic parts of high reliability.
31. Development of computing technology.
32. Technological research of complete trains of heavy-load railway cars.
33. Port construction and cargo handling technology.
34. Research of new technologies.
35. Research of birth control medicines and instruments and contraceptive methods.
36. Prevention and treatment of virulent hepatitis and cancer and development of new Chinese and western medicines.
37. Environmental protection and pollution prevention technology.
38. Research of comprehensive evaluation, development, and utilization of north China's water resources.

STATE OFFICIAL ON SCIENCE, TECHNOLOGY PROJECTS

OW040445 Beijing XINHUA Domestic Service in Chinese 0736 GMT 3 Aug 83

[Excerpts] Beijing, 3 Aug (XINHUA) -- A responsible person of the office of the State Council's leading group in charge of science and technology recently told a XINHUA correspondent about the significance and purpose of the state's 38 key scientific and technological research projects for the Sixth 5-Year Plan period.

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He said: A strategic goal put forward by the 12th CPC National Congress is to quadruple the country's total annual output value of industry and agriculture by the turn of this century. To achieve this goal, the Fifth Session of the Fifth NPC approved the country's Sixth 5-Year Plan for national economic and social development (1981-1985). On behalf of the party Central Committee and the State Council, Prime Minister Zhao Ziyang has repeatedly pointed out that revitalization of the economy must rely on the advance of science and technology. The main task of our scientific and technological work during the Sixth 5-Year Plan period is to tackle the major scientific and technological problems in economic and social development and to popularize and apply our scientific and technological achievements. We hope that by so doing we will be able to make a breakthrough in solving crucial technological problems representing the weak links of the national economy, such as the conservation and development of energy sources and the comprehensive utilization of our communications and transport facilities and agricultural and other resources, while promoting environmental protection, urban and rural construction, medical and public health, family planning, and other social undertakings.

He said: The 38 key scientific and technological research projects were jointly formulated by the State Planning, Economic, and Scientific and Technological Commissions. They consist of 114 items covering agriculture, energy conservation and development technology, communications and transportation, geology, raw materials, machinery and electronic equipment, new materials, foods, light and textile industrial products, and other consumer goods. Among the 38 projects, 7 are top priority projects because of their extremely important bearing on the national economy as a whole.

He said: Advanced science and technology will generate powerful production forces when they are used in production. Quadrupling the total annual industrial and agriculture output value by the turn of this century will depend to a large extent on the advance of science and technology. In this connection, the party and the people place great hopes on our scientific and technology workers.

He stressed: We are convinced that guided by the party Central Committee's wise strategic policy decision and under the State Council's direct leadership, the broad masses of cadres, workers, and scientific and technological personnel will, through their joint efforts, certainly win all-round victory in realizing these large-scale scientific and technological research projects.

#### PENG MIN ON CURBING CAPITAL CONSTRUCTION WASTE

OW031329 Beijing XINHUA Domestic Service in Chinese 1205 GMT 27 Jul 83

[By reporter Xu Yaozhong]

[Text] Beijing, 27 Jul (XINHUA) -- At a national conference on capital construction held on 26 July, Peng Min, a responsible person of the State Planning Commission, proposed that a wide range of activities be launched on the nation's capital construction front to check waste, plug loopholes, reform management, and reduce investments with a view to exposing waste in all areas, drawing lessons from them, and working out effective measures to guide capital construction work toward the correct orientation that regards raising economic results as the central task.

Peng Min said that capital construction has long been plagued by serious losses and waste, and that returns on investment have been very poor on the capital construction front. All kinds of mistakes can be found at each stage, from the detailed decision-making, project decision, planning, surveying, designing, construction, on-site control, down to preparations for production.

For instance: During the period of unchecked increases in capital construction projects in 1978 and the subsequent curtailment of these projects, a considerable sum of capital was wasted on building and equipment maintenance, work holdups and worthless projects alone. Of the 560 large- and medium-size projects and other individual construction items completed and put into production between 1979 and 1981, as many as 176, which accounted for 31 percent of the total projects and 37 percent of the total investment, have failed to show normal returns on investments. Over the past 3 years, the number of accidents related to poor construction quality topped 14,000, incurring a loss of 17 million yuan. Also during the same period over 200 accidents related to collapsed buildings took place, incurring a loss of over 6 million yuan. Therefore, checking waste has become imperative in curtailing investments.

To promote antiwaste activities in a wide-ranging and deep-going way, Peng Min proposed a five-point view:

Check up on waste by grasping typical cases and analyzing any overspending beyond the budgetary estimates. Each department and locality must select two construction projects on which to carry out checks, find out the originally planned investments and the amounts overspent, analyze the causes for the overspending, seek truth from facts, distinguish right from wrong, and ascertain where the responsibility lies.

Mobilize the masses to check up on waste at each and every link, from the project decision down to its completion and acceptance. All units responsible for survey, design, and construction must check their own work for waste and other problems. They must also fully expose any losses or waste resulting from mistakes in decisionmaking, planning and supervision on the part of higher-level departments in charge of construction or planning.

Antiwaste activities should be integrated with the economic responsibility contracts system in capital construction. The economic responsibility system, which stresses investment contracts, is a very effective way to combat the practice of "eating from the same big pot" and spending from an open purse, save construction expenses and cut construction cost. Activities to check up on waste can help promote the implementation of the economic responsibility contract system. Units that implement the economic responsibility contract system must first consider the state's interests, strive to raise economic results, improve management, and increase revenue and reduce expenditures by their own efforts and ability instead of relying on big budgetary estimates or resorting to fraud and trickery.

Resolutely check evil practices, such as unauthorized apportionment of expenses among capital construction units or charging them unjustified fees. After some of these malpractices have been stopped, departments, localities or units concerned should not find excuses to cut off the supply of water or power, suspend transportation service or construction work, or take other unjustified actions to hamper the progress of construction.

Give full play to the supervisory role of the construction bank.

In conclusion, Peng Min pointed out that through these antiwaste activities leaders and all staff and workers on the capital construction front will surely receive an education, heighten their consciousness, firmly establish the concept of building up the country through hard work and thrift, strive to serve the country and the people with a keen sense of responsibility, and manage and use well capital and materials accumulated by the people through hard work, thus fulfilling the expectations of the people.

NATIONAL MEETING CALLS FOR CURBING CONSTRUCTION

OW031423 Beijing XINHUA Domestic Service in Chinese 1436 GMT 29 Jul 83

[By reporter Xu Yaozhong]

[Excerpts] Beijing, 29 Jul (XINHUA) -- Comrades attending the current national work meeting on capital construction have pointed out the need for practical and effective measures to limit the scale of capital construction in the country within the frame of the state plan so that funds and materials can be concentrated for building key construction projects. This, they added, is an urgent task to be done at present in our economic field.

After serious discussions they set up "four principles to be upheld" in order to strictly control the scale of capital construction:

Persist in implementing a strict leaders' responsibility system. Although there have been numerous reasons for our failure to control the scale of capital construction over the past years, the major reason, nevertheless, is that we have not rigorously enforced discipline and clearly defined responsibilities. As a result, when a problem has arisen, nobody would come out to shoulder the responsibility. In view of this, it is imperative to institute a strict leaders' responsibility system to ensure that the state instructions on the scale of capital construction are complied with. In no way is it allowed to expand capital construction beyond the scope of the state investment plan. From now on, if capital construction in an area has been expanded beyond the scope of the state plan, the provincial governor, municipal mayor, or the chairman of the autonomous region concerned should be held responsible. If a state department has expanded capital construction beyond the state plan, the minister concerned should shoulder the responsibility. If a bank loan has been used to build a capital construction project and the amount of the loan has exceeded the limit of the state plan, the manager of the bank should bear the responsibility. If the general scale of capital construction in the whole country projected in the state plan is too big or if the plan contains too many big and medium-sized projects, the State Planning Commission should be held responsible.

Persist in suspending or postponing some projects. If investment in capital construction is reduced but nothing is done to suspend or postpone some of the projects which have already been started, our limited funds and materials still are diverted to too many purposes. This will result in a state of "insufficiency," which will, in turn, prolong the construction period and reduce the economic benefits of investment. For this reason, we should conduct an all-round screening of the projects presently under construction.

Persist in having all departments concerned to control capital construction. To really control the scale of capital construction, all planning, capital construction, banking, and supply departments, as well as all units doing design and construction work are required to cooperate closely. Only in this way can fruitful results be achieved. From now on, no projects beyond the scope of the plan should be started, and no unauthorized additional investment in a project should be allowed, no matter who has approved it. For such project or additional investment, no bank should give financial assistance or extend loans, no supply department should provide materials, no design department should make designs, and no construction unit should take up the construction work.

Persist in the highly centralized and unified management of capital construction work. This is the only way to concentrate for use by the state the funds and materials presently scattered in various localities and departments. In this way it will be possible to curtail the scale of capital construction and meet the needs of energy, transportation, and other key construction projects of the state.

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From now on, a large portion of the additional profits earned by enterprises should be given to the state mainly through tax payments or by other arrangements. Also, appropriate measures should be taken to include as revenue in the state budget some income which so far is not included in the state budget. With regard to the supply of materials, all departments and localities should strictly carry out the state plan, produce materials according to the needs, and accept orders for materials. Without approval, no departments, locality, or enterprises are allowed to use, withhold, or sell those materials which are distributed under the unified state plan. Whoever violates this rule will be punished. In this way arbitrary and duplicated projects will be avoided, and the scale of capital construction will be easy to control.

DENG LIQUN VISITS HEBEI FORESTRY CENTER

OW031111 Beijing XINHUA Domestic Service in Chinese 1433 GMT 2 Aug 83

[Excerpts] Shijiazhuang, 2 Aug (XINHUA) -- Deng Liqun, member of the Secretariat of the CPC Central Committee and head of the Propaganda Department under the CPC Central Committee, visited the Sainhanba mechanized forestry center, the biggest in Hebei Province, on 29 and 30 July. He praised the workers, scientists, and technicians and cadres there for their sustained efforts in planting trees during the past 20 years or so and urged them to take root in the forestry center and make new contributions to afforestation, woodland management, and research.

The mechanized forestry center was opened in 1962 in Sainhanba in Hebei's northernmost county of Weichang, neighboring Nei Monggol Autonomous Region. Over the past 21 years and more, the forestry workers have afforested over 900,000 mu in an area which has an average annual temperature of 1 degree below zero centigrade and a 60-day frost-free period. At present, the center has a timber reserve of 1.13 million cubic meters with an annual output value of 5 million yuan, and its timber reserve is expected to reach 5 million cubic meters by the end of the century with an annual output value of 20 million yuan.

Accompanied by Xu Chunxing, head of the Propaganda Department of the Hebei provincial party committee, and Hu Guangyi, secretary of the Chengde prefectural party committee, Deng Liqun visited some workers' families and inquired about their income and sideline production as well as their children's education, cultural life, health, and other matters. He also talked with some scientists and technicians and inquired about their study for self-improvement.

Deng Liqun said that the forestry center must fully utilize its natural resources for raising cattle, pigs, and sheep and for growing vegetables, so that the workers there will have more nutritious food. The center should also have its own bus service and its own cold storage trucks so that the transportation and supply services can be improved. Conditions should be created so that the workers at the forestry center can take turns in spending the winter in warmer areas. Essential living and working conditions must be created for the scientists and technicians.

Deng Liqun urged the local party and government organs and other departments concerned to properly arrange for the establishment of a school to train forestry technicians and teachers for the forestry center so that its secondary and primary school education can be improved and its vocational education strengthened.

Deng Liqun added that China has limited forestry resources and woodlands, and the forestry production is far short of meeting the nation's economic development. He said the forestry workers must be educated on patriotism and the need to dedicate themselves to the development of forestry areas on a long-term basis so that the center's operation will continue from one generation to another.

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GUANGMING RIBAO REVIEWS DENG'S LITERARY THESIS

HK021451 Beijing GUANGMING RIBAO in Chinese 21 Jul 83 p 3

[Article by Tang Zhi: "Important Guideline for Literature and Art of the New Historical Period -- Reviewing Comrade Deng Xiaoping's Important Thesis on Literature and Art"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, an unprecedentedly prosperous situation has emerged in the literary and art front. The literary and art world, undermined by Lin Biao and the "gang of four" in the past, has now come to life after only a few years, and presents a miraculous and inspiring scene. What, then, was the force that impelled such an amazing change and what was the impetus that brought about such a gratifying and developing trend in the field of socialist literature and art? To be sure, there were various factors. However, I suppose the fundamental reason was that the party summed up the past positive and negative experience of literary and art work in a practical and realistic manner. Our party carried out the work to set things to rights with great determination and also made a series of major readjustments in its principles and policies on literature and art, thus creating a vivid atmosphere and an environment favorable for developing literature and art and energetically arousing the initiative of the vast number of literary and artistic workers.

Recently, the "Selected Works of Deng Xiaoping" has been published. Reviewing Comrade Deng Xiaoping's important thesis on literature and art, we can further realize that at the new historical turning point, it was precisely Comrade Deng Xiaoping who first took a broad and long view and who profoundly and comprehensively expounded the party's principles, policies, and tasks for literary and art work, and made important ideological and theoretical guidance for the continuous and sound development of the entire literary and art front.

Those comrades who attended the fourth conference on literature and art held in autumn 1979 will never forget Comrade Deng Xiaoping's congratulatory speech delivered to the conference on behalf of the CPC Central Committee and the State Council. In his speech, Comrade Deng Xiaoping not only refuted the so-called fallacy of Lin Biao and the "gang of four" that "literature and art was a field in which the sinister line exercised dictatorship," but also enthusiastically pointed out: "Literary and artistic circles are one of the departments that have achieved great successes. Literary and artistic workers should be trusted, cherished, and respected by the party and people. The rigorous test of struggle has proved that, viewing from the whole, our ranks of writers and artists are good. Our party and people should be gratified with having such ranks." On behalf of the CPC Central Committee and the State Council, Comrade Deng Xiaoping affirmed the achievements made by the ranks of writers and artists and said they were like a spring breeze caressing our faces, gladdening our hearts, and refreshing our minds. Such concern also provided the literary and artistic workers with mighty inspiration and strength which is difficult to express in words.

After re-studying Comrade Deng Xiaoping's thesis on literature and art, I have the following understanding:

**Building Socialist Spiritual Civilization Is Our Unshirkable Responsibility**

We have now entered into the new period of building socialist modernization and the focus of our party's work has also been shifted onto this aspect. This is an overriding central task and a great cause that determines the destiny of our motherland. Confronting such a new situation and historical demand, what are the basic tasks for literary and art work?

Comrade Deng Xiaoping pointed out: "While building a high level of material civilization, we must at the same time raise the scientific and cultural level of the whole nation, develop noble and varied cultural life, and build a high level of socialist spiritual civilization." In this lofty cause, Comrade Deng Xiaoping particularly emphasized that "there is a vast field for developing literature and art. Literary and art work shoulders the grave responsibility in satisfying the varied needs of the people in their mental life, in training socialist new people, and in raising the ideological, cultural, and moral standard of the entire society. This is a task that cannot be carried out by any other departments." I believe this is the basic task Comrade Deng Xiaoping set forth for literary and art work in the new historical period.

It is quite certain that to accomplish this historical task, literary and art workers must not divorce themselves from the current life which is seething with stirring struggles, or separate themselves from our great ear, and the guidance of Marxism and Mao Zedong Thought. Some people hold that the further writers distance themselves from the trend of the times and the people's struggles, the better, as if pure and everlasting art can only be produced in this way. This is obviously an erroneous viewpoint, if not actuated by naive ideas. If a writer divorces himself from the times and people's life and closes himself in the narrow "small world" to probe into one matter and endlessly ruminate over it, or tries to mechanically copy and follow other people step by step, how can he find a way out and give his works a great vitality that can strike root in the hearts of the people? Comrade Deng Xiaoping profoundly pointed out: "The people are the mothers of literary and art workers. The artistic life of all progressive literary and art workers lies in their flesh-and-blood ties with the people. The artistic life will be exhausted once such ties are forgotten, neglected, or cut off." He therefore pointed out: "The people need art, but art needs people more." Comrade Deng Xiaoping's summarization made here is a truth that has been proved by numerous facts in the history of literature. The revolutionary literary and art workers should conscientiously establish close ties with the times, life, and the people, so that they can obtain inexhaustible nutrition.

The needs of people's mental life are varied. Therefore, the party has adhered to the principle of letting a hundred flowers blossom, weeding through the old to bring forth the new, and making foreign things serve China and the past serve the present. All works that can educate and enlighten the people and can offer them entertainment and an aesthetic treat must be respected and supported. It is beyond doubt that they should occupy their position in the literary and artistic garden of hundreds of flowers. However, we must also be aware that while all the fronts are valiantly struggling for the four modernizations program at present, those works that can truly and profoundly reflect the life of the people in fighting against all kinds of difficulties and that can fully depict their outstanding character, heroic spirit, and lofty realm, will be of greater significance and will play a more important role. Therefore, Comrade Deng Xiaoping pointed out: "Our literature and art should make greater efforts in describing and training socialist new people." This is because they have embodied the demands of the advancing era and the trend of historical development. Their devoted spirit and great practice of forging ahead and working hard for the prosperity of the country will also forcefully "arouse the socialist enthusiasm of the broad masses and promote their historical creative activities in carrying out the four modernizations program." This must be remembered by every writer who has the sense of mission of the times.

#### Lead Literature and Art According to the Inherent Laws of Literature and Art

In the history of literary and art development in the past 30-odd years, due to the "leftist" mistakes in the guiding ideology, we suffered from setbacks and failures in our work.

During the Lin Biao and "gang of four" period, large numbers of literary and art workers were persecuted by the absurd methods prevailing at that time. As a result, not only was the vitality of literature and art strangled, but the leadership of the party over literary and art work was also undermined. For instance, Lin Biao and the "gang of four" advocated the so-called rule that "ideas come from leaders, life from the masses, and technique from the writers," which was completely against the inherent laws of art. It was not at all "strengthening leadership," but turning to the reverse of matters. In light of a Marxist's basic viewpoint, Comrade Deng Xiaoping profoundly summed up the lessons in this respect, particularly on the party's leadership over literary and art work, and put forward the guiding ideology with far-reaching significance: "Party leadership over literary and art work does not mean issuing orders nor requiring literature and art to be subordinated to temporary, concrete, and specific political tasks. It means providing writers and artists with the conditions to enrich socialist literature and art according to their characteristics and inherent laws of development, to improve the standard of literature and art, and to create outstanding literary and art works and performing arts that are worthy of the great times and great people of China." He further pointed out: "Literature and art, which is complicated mental labor, very much needs writers and artists to give full play to their individual creative spirits. Only the writers and artists themselves can probe into, and gradually solve, the matter of what topics they should write on and how they should depict them. We must not flagrantly interfere with them in this respect." It was precisely in light of the characteristics and inherent laws of development of such mental labor that he demanded that literature and art should follow a broad path centered on the common objective of the four modernizations program and, under the guidance of correct creative thought, the subject matter of literature and art and the technique of expression should be rich and varied and dare to blaze new trails. It is necessary to avoid and to eradicate formalism and generalization that is monotonous, dull, mechanical and inflexible.

Practice in the past few years has proved that by carrying out this guiding ideology formulated by Comrade Deng Xiaoping, we have not only helped the vast number of literary and art workers in thoroughly extricating themselves from the mental shackles and irrational conventions formulated by Lin Biao and the "gang of four," thus enabling our literature and art to embark on the correct track, but also greatly improved and strengthened the party's leadership over literary and art work, thus bringing about a brand new look in the entire field of literary and art work.

However, there is indeed an extremely one-sided viewpoint that maintains that literature and art must not be concerned with the political life of the times, major social struggles, and the people's weal and woe and their destiny. According to this viewpoint it seems that a writer can "create new things" and can freely display his artistry only when he is portraying the so-called intuition, subconsciousness, and psychological instinct of human beings in his own way, by isolating this description from the historical backgrounds and the profound relations between man and society which a writer must deeply study and understand, or when he is randomly making up some absurd stories to pander to the vulgar tastes and backward ideas of some people without a sense of responsibility to society, and without regard to the specific historical environment and the logic of social life. On the contrary, the party's proposals that writers should at all times keep in close contact with the people and life, that writers should strike the root of their creative work into the fertile soil of real life, that writers should have a high sense of social responsibility, and so on, were regarded as shackles binding them. I believe this is not simply a matter of respecting the inherent laws of development of literature and art itself.

We cannot imagine that socialist literature and art is irrelevant to the people and is divorced from the masses. On the contrary, what must be taken into account is whether or not such a viewpoint respects the characteristics and objective laws of literature and art, and whether or not it admits the necessity of party leadership over socialist literature and art. Obviously, it is not the party's leadership and its correct principles on literature and art, but precisely the above viewpoint itself that will lead socialist literature and art to the narrow winding trail which is divorced from the people and the demands of the times, thus disappointing the hopes of the people and the times. Therefore, from this point of view, the reliable ideological guarantee for constantly developing and prospering our literary and art work is to persist in improving and strengthening party leadership, adhere to the important ideology and principle profoundly expounded by Comrade Deng Xiaoping, and comprehensively understand and study this important ideology and principle.

#### Promote Literature and Art Healthily Forward Amidst Criticism

We must never waver in the course of adhering to the correct leading method and persisting in the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" in our literary and art work. However, this does not mean that we should cease to carry out normal literary and art criticism. Letting a hundred schools of thought contend implies the meaning of carrying out criticism and discussion to make a clear distinction between right and wrong. We should say that this is the proper meaning of the "double hundred" principle. Like the development of all things that cannot be plain sailing, the development of literature and art will inevitably be interfered with by the "leftist" or rightist deviation. We must be sober-minded in such a situation. In solving such problems, the method of bludgeoning, jointly attacking and launching movements has been proved to be completely wrong, and cannot bring about any good results; on the contrary, ignoring and being indifferent to the various erroneous trends in literary and art fields, not carrying out criticism and discussions, or adopting the vulgar way of evading problems and believing the less trouble the better, is not a responsible attitude toward literary and art work either.

Since the 3d Plenary Session of the 11th CPC Central Committee, in order to eradicate the long-standing "leftist" mistakes in literary and art work, the party conducted a great deal of work and has achieved remarkable successes. At present, we must also continue to pay attention to overcoming the problems in this respect. However, we must also admit that there was indeed a liberal bourgeois tendency in the ideological and literary and art fronts which deviated from the socialist track and the party's leadership. Such a tendency departed from the fundamental nature of socialist literature and art and the important historical task it shouldered, and was also against the fundamental interests of the people. Referring to such a situation, Comrade Deng Xiaoping pointed out in a timely way: "The party's leadership over the ideological front was in a weak and slackened state, which dared not criticize the erroneous tendency. This is abnormal. We must practically analyze these problems that have already emerged, and appropriately differentiate the extent and nature of the problems, so as to correctly understand and handle them." Comrade Deng Xiaoping pointed out: "We must pay attention and be appropriate in the method of criticism and not launch movements or converging attacks. However, we must continue to conduct ideological work and criticism and self-criticism. We cannot abandon the weapon of criticism." This is the summarization of positive and negative experience in carrying out criticism and self-criticism in the fields of literature and art.

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Referring to the circumstances of the middle-aged and young writers, he earnestly pointed out: "In recent years there are many young writers who have created a number of good works. This is a fine thing. However, we must admit that there exists an unhealthy trend among some middle-aged and young writers, which is affecting a number of youthful readers and audiences. Veteran writers who have a firm socialist stand have the duty to unite and set an example in training the new generation. Otherwise, if the new generation is wrongly lead, the contradiction may be intensified and there will be great disorder. In a word, we must adhere to party leadership and the socialist system. Although party leadership and the socialist system need to be improved, we cannot practice bourgeois liberalism and be in a state of anarchism." He particularly called on the writers, artists, and ideological and theoretical workers who are party members to observe party discipline. He clearly pointed out: "Now there are many problems that have occurred within our party. If the party cannot enforce discipline on its members, how will it be able to lead the masses?" We cannot persist in the principle of "double hundred" without carrying out criticism. On one hand, we must adopt a democratic and reasonable attitude in criticism, and on the other hand, we must not regard criticism as using the big stick. This must be clarified. At present, there exists among some people a mood of blindly opposing, refusing, and detesting normal criticism. Although this mood has its social historical reasons, it is not healthy. As it is not good for the development of literary and art work, it must be corrected in due course. Comrade Deng Xiaoping's timely speech on this major issue can not only play an important role in guiding the various fronts in strengthening ideological leadership and stepping up the building of socialist spiritual civilization, but will also have a far reaching influence in promoting socialist literature and art healthily forward.

In a word, Comrade Deng Xiaoping's theses on literature and art is an important guideline for developing literature and art in the new historical period. We will certainly be able to constantly advance on this correct track and score greater achievements in the struggle to create a new situation in the field of socialist literature and art provided we study these theses, unswervingly implement them in practice, and constantly nurture ourselves with the exerting spirit of the people in creating history, as Comrade Deng Xiaoping has said.

PRC TO COMPILE VOLUME ON AVIATION, SPACE

HK040316 Beijing GUANGMING RIBAO in Chinese 27 Jul 83 p 1

[Report by Qiao Fu: "Volume of 'Aviation and Space' for the Chinese Encyclopedia Being Compiled; Nie Rongzhen and Zhang Aiping Write Inscriptions Encouraging All Comrades Taking Part in the Work"]

[Text] Under the vigorous support of the Science and Technology Commission for National Defense, the Ministry of Aviation, and Ministry of Space Industry, aviation schools and institutes, and units concerned, the work of compiling a volume of "Aviation and Space" for the Chinese encyclopedia is in full swing. Several hundred specialists, professors, advanced engineers, and technicians are taking part in the compilation of its entries. Recently, Nie Rongzhen, vice chairman of the Central Military Commission, and Zhang Aiping, state councilor and minister of national defense, have shown great concern for and given support to this work. They have made requirements on the compiling work of the aviation and space volume, and have written inscriptions for it. Nie Rongzhen's inscription reads: "Popularize knowledge of science and culture, develop the cause of aviation and space." And Zhang Aiping's inscription reads: "Pool the wisdom of all schools, solve puzzles and give explanations to questions; explore science and technology, collect the essence to form a volume."

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The volume of "Aviation and Space" will give the readers a systematic introduction to various of basic knowledge concerning the fields of aviation and space, the important achievements of the cause of aviation and space of our country, and a general picture of the scientific and technological development of aviation and space of the world. The whole volume will be written in 1.5 million words, with many illustrations in color and black and white.

ARMY VETERAN NIE RONGZHEN PUBLISHES MEMOIRS

OW290003 Beijing XINHUA Domestic Service in Chinese 1546 GMT 25 Jul 83

[Text] Beijing, 25 Jul (XINHUA) -- "Memoirs of Nei Rongzhen," the first autobiographical memoirs written by one of the older generation of proletarian revolutionaries of China, has been published on the 56th founding anniversary of the Chinese People's Liberation Army.

Reminiscing on his experiences during the various periods of the revolution in the 500,000-character memoir, Marshal Nei describes, with plenty of historical materials and profound feeling and thought, the glorious course of over half a century in which the revolutionary cause of the Chinese proletariat has risen, developed, grown to maturity and triumphed.

Published by Zhanshi Publishing House, "Memoirs of Nie Rongzhen" consists of three volumes. The first volume, which is now available to the readers, has two parts. The first part reminisces on his stay in France on a work-study program, and the period of the great revolution, including the Nanchang and the Guangzhou uprisings after the failure of the great revolution, and his underground work in the Kuomintang-controlled area. The second part describes his life and struggle during the Red Army period, including the struggle in the central revolutionary base, the 25,000-li Long March, and the eastern and western expeditions. The second and third volumes will be published this year.

As an experienced strategist and statesman, Marshal Nie accurately describes in his memoirs the occurrence and development of some major events in the history of our party and Army, thereby providing us with a host of invaluable historical materials. For example, it is the first time that such materials as his accounts of the work-study program in France, the Nanchang and Guangzhou uprisings, work in the Kuomintang-controlled area, the Zunyi conference, struggle between two lines during the Long March, and the Luochuan conference have been published.

Comrade Nie Rongzhen has written a preface to the memoirs in which he says: It took me years to write these memoirs. As Lenin said: "To forget the past is a betrayal." With this in mind, I have worked assiduously in my late years to compile the memoirs in the hope of providing some reference materials for young comrades in studying party and Army history. Comrade Nie Rongzhen says: "Revolution is never plain sailing. It is impossible that a great revolution will not encounter setbacks or mistakes. Since the founding of the country, our party has led the Chinese people in carrying out socialist revolution and construction, scoring brilliant achievements as well as suffering from serious mistakes and setbacks. Now that the mistakes have been corrected, we should enhance our confidence in facing the future and continue to advance steadfastly along the socialist road. Our faith is unshakeable. I am convinced that, through arduous struggle, a strong and modern socialist China will stand in the world like a towering giant, that the world communist movement will continue to develop after traversing a tortuous path, and that the law governing the development of history, as revealed by Marxism, will, in the long run, become irresistible."

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ANHUI MILITARY DISTRICT CPC STUDIES ZHU DE'S WORKS

OW031229 Hefei Anhui Provincial Service in Mandarin 1100 GMT 2 Aug 83

[Text] Members of the Anhui Provincial Military District CPC Committee held a meeting this morning to study and discuss the "Selected Works of Zhu De." Cherishing the memory of Comrade Zhu De's great achievements, recalling the glorious fighting course traversed by the army, and reviewing the process of their own growth, they were filled with all sorts of feelings.

They said that the "Selected Works of Zhu De" is long expected. Due to the gang of four's interference and disruption, it was impossible to publish the book in the past. Now, at last, it is published. This is a result of the party's rectification of its ideological line and elimination of "left" influence. The publication and distribution of the "Selected Works of Zhu De" is a major event in our political life, and a major event in the history of the building of the PLA.

In the discussion, the party committee members unanimously held that Comrade Zhu De was a great Marxist, a proletarian revolutionary and military scientist, one of the brilliant leaders of the Chinese Communist Party and the People's Republic of China, and the Commander in Chief of the Chinese People's Liberation Army. Comrade Zhu De devoted his lifetime energies to the people and the building of the army. The "Selected Works of Zhu De" is a truthful portrayal of Comrade Zhu De's glorious life.

Commander (Jiu Dehe) and Political Commissar (Zhang Mingyuan) said: The "Selected Works of Zhu De" is an important record of Comrade Zhu De's revolutionary practice and theories. It reflects his outstanding military and political talents and his noble character and fine style. It is a valuable product of integration of Marxism with the Chinese revolution and an important component of Mao Zedong Thought. The publication of the "Selected Works of Zhu De" is of great significance to the whole party and especially comrades of the Army in studying Marxism-Leninism-Mao Zedong Thought, the history of the Chinese revolution and construction, and Comrade Zhu De's life and thinking. The book will be an important guide for us to inherit and carry forward the fine traditions of our party and army and to develop the socialist spiritual civilization. We must conscientiously study it in the light of the actual situation, sum up experience, and do a good job in building up the Army and the People's Militia.

The party committee adopted a decision: Members of the party committee should conscientiously read the book from cover to cover, closely combine the study of the "Selected Works of Zhu De" with the study of the "Selected Works of Deng Xiaoping," take the lead in the study, and study it well.

FUJIAN'S XIANG NAN AT ADVISORY COMMISSION MEETING

OW032359 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 2 Aug 83

[Text] A preparatory group for setting up an advisory commission of the provincial CPC Committee was formed on 2 August. The group was formed by 14 veteran comrades, including Ma Xingyuan, Jin Zhaodian, Guo Chao, Jia Jiumin, He Minxue, He Ruoren, Wang Yan, Zhang Gexin, Wen Fushan, Ren Manjun, Huang Yaguang, Xu Yuqing, (Wang You) and (Li Mintang). Ma Xingyuan was elected head of the preparatory group and Guo Chao as deputy head.

Ma Xingyuan presided over the first session of the preparatory group this morning. Comrades Guo Chao, He Minxue, Zhang Gexin and Wen Fushan and others delivered speeches.

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Those attending said: Efforts must be made to continue to display one's high sense of responsibility to the party and the people, and concern oneself with work in all fields, and in economic construction. Particularly it is necessary to offer more suggestions in helping the Government decide on major issues, and to do a good job in passing on one's experience, helping and guiding the young cadres. It is also essential to strengthen unity and cooperation between the young and veteran cadres.

Some veteran comrades said: We must do more to help the new leading groups instead of interfering with them. We must carry out our work enthusiastically, while doing things within the limits of our resources. Only by doing so, will it be possible for us to work well.

Comrade Ma Xingyuan said: The work of the preparatory group is to support the new and young cadres, so that they will boldly forge ahead. It is entirely necessary to do so in our province. In short, we will continue to do whatever the party wants us to do, as long as our health permits. In conclusion, he quoted a poem by a leading comrade of the Central Advisory Commission to inspire his fellow comrades. The poem read: "Never say one is old; one still has widespread influence in half the world."

Also attending the session were comrades Xiang Nan and Zhang Yumin.

#### FUJIAN CPPCC STUDIES DENG REUNIFICATION PROPOSAL

OW031133 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 1 Aug 83

[Text] More than 40 Standing Committee members of the Fujian Provincial CPPCC Committee and responsible persons of various democratic parties in Fuzhou held a forum this morning to study and discuss Comrade Deng Xiaoping's proposals for the peaceful reunification of the China mainland and Taiwan.

The participants unanimously held: Comrade Deng Xiaoping's remarks are earnest and sincere, have given full consideration to national interests, and have demonstrated Chinese communists' broad-mindedness and practical and realistic spirit.

Xu Xianshi, vice chairman of the provincial CPPCC Committee and of the provincial Kuomintang Revolutionary Committee, and Lu Haoran, vice chairman of the provincial CPPCC Committee and of the provincial committee of the Chinese Peasants and Workers Democratic Party, said: Giving full consideration to both history and reality, Comrade Deng Xiaoping's proposals embody the spirit of combining principles with flexibility. These proposals accord with the common wishes of the people throughout the country, including those of Taiwan, and are in the long-term interests of the Chinese nation.

(Li Baosen), Standing Committee member of the provincial CPPCC Committee and professor at the Fujian Normal University chemistry department, (Chen Xiaoban), vice chairman of the provincial Kuomintang Revolutionary Committee and professor at the Fujian University light industry department, said: The Taiwan authorities should discard their misgivings by making a careful study of the nine-point proposal and the opening speech made by Comrade Deng Yingchao at the First Session of the Sixth CPPCC National Committee. The two parties should hold talks on an equal basis to bring about a third round of cooperation. Then, the prosperity of the Chinese nation can be expected soon.

Lin Mu, vice chairman of the Fujian Chapter of the All-China patriots, said: Peaceful reunification is an internal affair of our country, and foreign interference absolutely will not be permitted.

of Taiwan Com-  
Wu Hongxiang, chairman of the provincial CPPCC Committee, presided over and addressed the forum.

SHANDONG APPOINTS NEW GOVERNMENT PERSONNEL

SK280548 Jinan DAZHONG RIBAO in Chinese 4 Jul 83 p 1

[Text] The Second Standing Committee Meeting of the Sixth Provincial People's Congress adopted a decision on the appointments of some personnel of the provincial People's Government. The namelist is as follows:

Liu Yong [0491 0516] is appointed secretary general of the provincial People's Government;

Ma Shizhong [7456 0013 1813] is appointed chairman of the provincial Planning Commission, (concurrently);

Li Fan [2621 9009] is appointed chairman of the provincial Scientific and Technological Commission;

Jin Baozhen [6855 1405 3791] is appointed chairman of the provincial Nationalities Affairs Commission;

Gao Weizhen [7559 4850 4176] is appointed director of the provincial educational department;

Jia Baoshan [6328 0202 0810] is appointed director of the provincial pricing bureau; and

Lu Daoxin [7773 6670 0207] is appointed director of the provincial bureau in charge of diversified undertakings and commune- and brigade-run enterprises.

SHANGHAI APPOINTS NEW MUNICIPAL OFFICIALS

OW021443 Shanghai JIEFANG RIBAO in Chinese 29 Jul 83 p 1

[Text] The following personnel appointments were approved by the Standing Committee of the Eighth Shanghai Municipal People's Congress at its third meeting yesterday (28 July):

Vice Mayor Ruan Chongwu is appointed concurrently chairman of the Shanghai Municipal Planning Commission.

Li Jiagao [2621 1367 6964] is appointed chairman of the Shanghai Municipal Economic Commission.

Li Chuntao [2621 2504 3447] is appointed chairman of the Shanghai Municipal Capital Construction Commission.

Jin Juqing [6855 1565 7230] is appointed chairman of the Shanghai Municipal Scientific and Technological Commission.

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Wu Fuzhao [6762 4395 5128] is appointed director of the Communications Office of the Shanghai Municipal People's Government.

Mao Jingquan [3029 4842 2938] is appointed director of the Education and Public Health Office of the Shanghai Municipal People's Government.

Wang Guangjian [3769 0342 0313] is appointed director of the Finance and Trade Office of the Shanghai Municipal People's Government.

BRIEFS

FUJIAN EARLY RICE -- This year's total output of Fujian Province's 10.1 million mu of early rice is expected to reach 6.14 billion jin, over 200 million jin, or 3.5 percent more than last year. This also tops all previous records. The acreage of early rice in the 21 grain-producing counties of the province exceeds 4.66 million mu, and the total output is expected to exceed 2.4 billion jin, 4.3 percent more than last year. [Summary] [Fuzhou Fujiang Provincial Service in Mandarin 1130 GMT 25 Jul 83 OW]

JIANGSU SUMMER GRAINS -- By 20 July, Jiangsu Province had overfulfilled the summer grain procurement plan for this year, with the total amount procured reaching 4.52 billion jin, or 105 percent of the annual plan. Xuzhou Municipality overfulfilled the plan by 50 percent and Lianyungang and Yancheng Municipalities by over 20 percent. [Summary] [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 22 Jul 83 OW]

JIANGXI'S CHANGJIANG DREDGING PROJECT -- Jiangxi's project to dredge the Changjiang, a key project included in the Sixth 5-Year Plan, was started on 17 July. An important river in northeast Jiangxi, the Changjiang originates in Anhui Province and empties into the Poyang Lake. It is more than 253 kilometers long. The project is aimed at improving navigation on this river and is scheduled to be completed in 1988. [Summary] [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 17 Jul 83 OW]

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HEILONGJIANG CIRCULAR ON PREVENTING FLOOD

SK300610 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 29 Jul 83

[Excerpt] The Harbin City CPC Committee and Government issued a circular on 29 July calling on all departments to implement the urgent instruction of the party Central Committee and the State Council and make full preparations to prevent catastrophic floods.

The circular states: The Songhua Jiang has entered the big flood season. Due to this year's abnormal weather, characterized by successive rains, the water level of Songhua Jiang has risen rapidly. It is estimated that the water level may reach the warning state by early or mid-August. If heavy rains fall again in the valleys along its upper reaches, big or catastrophic floods may occur. We should maintain high vigilance and pay close attention to the flood situation.

HEILONGJIANG URGES PAYING ATTENTION TO SCIENCE

SK310930 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 30 Jul 83

[Text] In his speech to the provincial meeting to commend advanced collectives and advanced scientists and technicians, sponsored by scientific organizations on 30 July, Li Lian, secretary of the provincial CPC Committee, pointed out that intellectuals, scientists and technicians should pay attention to enhancing ideological and political quality, study the "Selected Works of Deng Xiaoping," ceaselessly upgrade knowledge and be united with workers and peasants.

Comrade Li Lian said: Owing largely to the backwardness of scientific and technical work, some units in our province produce poor economic results. Leaders and the masses should ideologically and practically enhance the sense of urgency to speed up the pace of developing our province's scientific and technical undertakings so as to bring into greater play the role of scientific and technical work in the course of developing the economy and raising the cultural life of the people.

Li Lian said: In the past few years, our province has done a great amount of work on implementing the policy towards intellectuals and bringing the role of scientists and technicians into full play. However, we must note: We have not done nearly enough. The initiative and functions of many scientists and technicians have not fully been aroused or brought into play yet.

At present, some comrades still have the attitude of despising knowledge and intellectuals. Even some units have a tendency to discriminate against, make things difficult for and deal blows at intellectuals. This proves that we still have to do a lot of work to eliminate the influence of leftist ideology and strictly handle the issue of discriminating against and dealing blows at intellectuals. Through readjusting leading bodies at all levels, we should change the structure of leading bodies in a step-by-step manner to promote intellectuals with professional knowledge and ability of management and leadership to leading bodies.

In his speech, Li Lian stressed: We should pay attention to bringing the role of science into full play in the course of economic construction. Party organizations at all levels are urged to put the scientific work on the agenda.

Attending the meeting were leading comrades of the provincial CPC Committee, the provincial CPPCC Committee. Hua Luogeng, vice chairman of Academy of Sciences of China and famous scientists, and (Qian Su), secretary of the secretariat of the Academy of Sciences of China, also attended.

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HEILONGJIANG PARTY SCHOOL WORK CONFERENCE

SK120351 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 11 Jul 83

[Text] The second provincial Party School Conference concluded today after a 6-day session. Participants in the conference heard a report relaying the guidelines of the Second National Party School Work Conference and a report delivered by (Fang Yirui), secretary of the party committee and principal of the Party School of the provincial party committee, on regularization of our province's Party School education. They also discussed and revised the provincial party committee's suggestions on regularization of party school education. The conference held that in the new historical period, Party Schools shoulder more and more important tasks and play a more and more important role and occupy an especially significant position in the education of cadres.

The conference pointed out: In order to open up a new situation in socialist modernization, we should promote and train a great number of cadres, particularly backbone leaders, who meet the needs of the modernization drive, in addition to having a correct line, principles, and policies. Party Schools should regularize their education if they are to fulfill the task of training cadres in the new period. The regularization of Party School education refers to a comprehensive reform in a series of tasks, such as enrollment, school terms, curriculums, examination and evaluation systems, and academic records, with the reform of teaching as the focus and the training of party and government backbone leaders and reserve personnel for the four modernizations as the goal. The reform is an effort to standardize and systemize Party School education in conformity with the needs of our socialist modernization and our Chinese characteristics.

The conference stressed: It is necessary to strengthen the leadership of Party School work. Principal leaders should personally attend to Party School work. It is essential to promote to Party School leading posts comrades who enjoy high prestige and respect, have firm communist beliefs, strong party spirit, good works and family high educational and theoretical standards, warmly live Party School education, and have certain teaching experiences. All localities should conscientiously solve the practical problems in Party School building. All party committees should help party schools formulate systems to regularize the education in 3 to 5 years, help solve their difficulty in a step-by-step manner in finding competent teachers and funds, and should strive to replenish and improve all party schools to make them meet the regularization standard in 3 to 5 years.

Li Lian, secretary of the provincial party committee, spoke at the conference.

RENMIN RIBAO REPORTS NEW HEILONGJIANG OFFICIALS

HK020338 Beijing RENMIN RIBAO in Chinese 29 Jul 83 p 1

[Text] Harbin, 28 Jul (XINHUA) -- At the Fifth Heilongjiang Provincial CPC Congress that closed on 27 July, the following new leading bodies were elected:

Secretary of the provincial CPC Committee: Li Lian; deputy secretaries: Chen Lei, Chen Junsheng, and Hou Jie; Standing Committee members: Wang Fei, Wang Yusheng, Wang Yaochen, Zhu Dianming, Li Genshen [2621 2704 3234], Zhang Xiangling, Zhao Xingyuan, and Jing Bowen.

Chairman of the provincial Advisory Commission: Yang Yichen; vice chairmen: Chen Jianfei, Wang Luming, and Xie Yunqing.

Secretary of the provincial Discipline Inspection Commission, Zhang Lin; deputy secretaries: Xie Yong, Zhang Wenxia, and Jin Xiaozhen [6855 1321 6966]

HEILONGJIANG APPOINTS NEW GOVERNMENT OFFICIALS

SK020953 Harbin HEILONGJIANG RIBAO in Chinese 3 Jul 83 p 1

[Text] List of appointments and removals adopted at the second session of the Standing Committee of the Sixth Heilongjiang Provincial People's Congress on 2 July 1983.

In accordance with the proposals of Chen Lei, governor of the Heilongjiang Provincial People's Government,

Zhang Ruoxian [1728 5387 0341] is appointed secretary general of the Heilongjiang Provincial People's Government;

Liu Zhongli [0491 0112 5602] is appointed chairman of the Heilongjiang Provincial Planning Commission;

Gong Benyan is appointed concurrently chairman of the Heilongjiang Provincial Economic Commission;

Zhu Dianming is appointed chairman of the Heilongjiang Provincial Scientific and Technological Commission;

Jiang Rongxuan [1203 2837 5503] is appointed director of the Heilongjiang Provincial Statistical Bureau;

Xue Changrong [5641 7022 2837] is appointed director of the Heilongjiang Provincial Pricing Bureau;

Sun Chunsheng [1327 2504 3932] is appointed director of the Heilongjiang Provincial Auditing Bureau;

Zhang Rende [1728 0088 1795] is appointed director of the Heilongjiang Provincial Industrial and Commercial Administrative Bureau;

Chen Jingxin is appointed director of the Heilongjiang Provincial Financial Department;

Liu Ye [0491 6851] is appointed director of the Heilongjiang Provincial Supplies Bureau;

Zhang Zhuokun [1728 3820 3824] is appointed director of the Heilongjiang Provincial Labor Bureau;

Le Zhiqian [2621 1807 1017] is appointed director of the Heilongjiang Provincial Machinery Industrial Department;

Sun Shichang [1327 0013 2490] is appointed director of the Heilongjiang Provincial Petrochemical Industrial Department;

Wang Fengzhu [3769 7364 5053] is appointed director of the Heilongjiang Provincial Metallurgical Industrial Department;

Gong Wenshan [1362 2429 0810] is appointed director of the Heilongjiang Provincial Light Industrial Department;

Han Xingfan [7281 5887 5400] is appointed director of the Heilongjiang Provincial Second Light Industrial Department;

Lu Jinxian [0712 6855 4161] is appointed director of the Heilongjiang Provincial Commercial Department;

Liu Xianting [0491 7359 1694] is appointed director of the Heilongjiang Provincial Grain Bureau;

Wang Jinren [3769 6602 0088] is appointed director of the Heilongjiang Provincial Urban and Rural Construction and Environmental Protection Department;

Xing Shufang [6717 2885 5364] is appointed chairman of the Heilongjiang Provincial People's Air Defense Office;

Xiu Feng [0208 2800] is appointed director of the Heilongjiang Provincial Foreign Economics and Trade Department;

Zhang Mingkui [1728 2494 7608] is appointed director of the Heilongjiang Provincial Agricultural, Animal Husbandry and Fishery Department;

Song Limin [1345 4539 3046] is appointed director of the Heilongjiang Provincial Water Conservancy Department;

Zhang Zhenqing [1728 2182 3237] is appointed director of the Heilongjiang Provincial Forestry Department;

Jing Bowen is appointed director of the Heilongjiang Provincial Higher Educational Bureau;

Zhang Shouzhong [1728 1343 1813] is appointed director of the Heilongjiang Provincial Educational Department;

Lu Zhong [7120 1813] is appointed director of the Heilongjiang Provincial Public Health Department and concurrently chairman of the provincial Family Planning Commission;

Li Tianling [2621 1131 0134] is appointed chairman of the Heilongjiang Provincial Physical Culture and Sports commission;

Du Dianwu is appointed director of the Heilongjiang Provincial Public Security Department;

Yu Xiangpu [0060 3726 3184] is appointed director of the Heilongjiang Provincial Judicial Department;

Wang Baocheng [3769 1405 2052] is appointed director of the Heilongjiang Provincial Personnel Supervisory Bureau;

Wang Yaochen is appointed chairman of the Heilongjiang Provincial Foreign Affairs Office;

Xie Yuzhuo [6200 3768 3820] is appointed director of the Heilongjiang Provincial Archives Bureau;

Lin Min (female) [2621 2404] is appointed chairman of the Heilongjiang Provincial Nationalities Affairs Commission;

Feng Xingyi [7458 5281 5030] is appointed director of the Heilongjiang Provincial Forest Industries General Bureau;

Wang Qiang [3769 1730] is appointed director of the Heilongjiang Provincial Farm Administrative General Bureau.

In accordance with a report submitted to the session for approval by Zhang Li, president of the Provincial Higher People's Court, the session decided to appoint Hu Chengquan [7579 2052 0356], vice president of the Heilongjiang Provincial Higher People's Court, and to relieve Yu Xiangpu, Liu Chengye [0491 2110 2814], and Gu Zhenhuan [6253 2182 1403] of their posts as vice presidents of the Heilongjiang Provincial Higher People's Court.

#### HEILONGJIANG URGES REPAIR OF FARM MACHINES

SK300426 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 29 Jul 83

[Station commentary: "Make Good Preparations and Strive To Reap a Good Wheat Harvest"]

[Excerpts] Wheat is growing well in our province this year and a good harvest is promising. If the weather is good and the harvest is done in a timely manner, the wheat output in most places will be as high as in 1981 in which a bumper harvest was reaped. The province has planted more than 31 million mu of wheat this year, which amounts to 38 percent of the total grain fields and is a record.

A great number of machines will be needed in this year's harvest and we may meet with rainy weather. This requires us to race against time to make full preparation. So far, most tractors in our province, except for combine harvesters, have not been checked because they are needed in intertilling and transportation, and only a small part of threshers and machine-driven farm tools have been checked and repaired. There are not sufficient threshing yards, drying yards, [words indistinct] gunnysacks, or sickles. According to a survey on a commune's 43 brigades in Jixian County, 25 brigades had no place to dry their grain and the 800 sickles needed by peasants [?were not supplied in a timely manner]. As the wheat harvest will start soon, all localities should race against time to step up checking and repairing farm machines and tools and see to it that this is done before the wheat harvest.

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DENG'S VIEWS ON TAIWAN REUNIFICATION REPORTED

HK021100 Hong Kong CHISHIH NIENTAI in Chinese No 163, 1 Aug 83 pp 17-19

[Article by Yang Li-yu: "Deng Xiaoping's Latest Concept on Peaceful Reunification"]

[Text] Editor's note: On 26 June, Chinese leader Deng Xiaoping met in Beijing with Dr Winston L.Y. Yang, professor at Seton Hall University, the United States. They talked for 2 hours. The focal point of their discussions was the reunification of China. At the request of this magazine, the author has written this article to explain China's latest concept on peaceful reunification as set forth by Deng Xiaoping. With respect to Deng Xiaoping's views on other Chinese issues, the author has written other short articles published in local and Overseas Chinese and English newspapers and magazines. Written according to the author's recollection and notes, this article has not been checked against the Chinese official records. The author will be held responsible if there should be some errors in the content. [end editor's note]

Changes in Beijing's Policy Toward Taiwan

When China established diplomatic relations with the United States in 1979, China took into consideration the international situation and the actual conditions on both sides of the Taiwan Strait by changing its policy toward Taiwan. The Beijing authorities have launched a series of peaceful offensives, from the "nine-point proposal" to Deng Yingchao's recent speech at the CPPCC Session, promoted the "three communications" and "four exchanges," and called for the peaceful reunification of China (but it does not openly renounce the possibility of solving the Taiwan issue by force). However, Taiwan has invariably denounced these moves and policies as a "United Front Plot" and its stand to resolutely reject peace talks has not changed in the least.

I grew up in Taiwan and completed my 6-year secondary schooling (at Chengkung Middle School) and 4-year college education (at Taiwan University) there. Since I arrived in the United States 25 years ago, my personal view on politics has changed a little but I still cherish a profound feeling for Taiwan. I also return to Taiwan to visit relatives and friends and to keep in touch with some figures in Taiwan's cultural, educational, and academic circles. Many of my schoolmates and good friends in those years have now become intermediate or high-ranking officials in Taiwan and a few of them have even become decisionmaking figures. When meeting them overseas, I also have the opportunities to have long private talks with them. Moreover, in 1975, I began to pay attention to Taiwan's newspapers and magazines. Over the past few years, I have greatly enriched my understanding of Taiwan. Taiwan's economic development, its universal education, and its progress in other respects have left a very deep impression on me. Therefore, I resolutely refuse to write articles to criticize or attack the Taiwan authorities. Besides, I myself have always engaged in educational work and academic studies, and I am not interested in politics. However, since the Chinese mainland has proposed holding peace talks with Taiwan, I have pointed out to Beijing officials on many occasions that it is absolutely impossible for Taipei to accept the proposal for peaceful reunification; I have even analyzed for them Taiwan's state of mind and stand. However, unable to agree with my analysis, they pointed out in unison that the "nine-point proposal" as well as the "three communications and four exchanges" were fair and reasonable and they criticized Taiwan's authorities for their "stubbornness." I find out that the enmity between the mainland and Taiwan is so profound and the gap between them is so wide that there is a lack of understanding between them. Taiwan has no confidence or trust whatsoever in the mainland. I firmly believe that it is impossible for the current stand and policy of the mainland to lead to peace talks.

Therefore, when I learned that I would have the opportunity to meet with Mr Deng Xiaoping, I decided to explain to him in a frank and systematic way Taiwan's state of mind and stand. Some of my friends in the academic circles strongly opposed my plan, believing that my explanation would not bring about any results but would only enrage the Chinese authorities because most Chinese leaders found it impossible to listen to views so directly contrary to Beijing's view. However, I finally decided to conduct the talks with Deng Xiaoping according to my original plan because I thought he was a key figure in China. Although he is in excellent health, he is, nevertheless, 79 years old. I was afraid there would not be many opportunities for me to meet him in the future.

#### Taiwan's State of Mind and Stand

After I walked into the Great Hall of the People and exchanged greetings with Deng Xiaoping and other Chinese leaders (including Yang Shangkun, member of the Standing Committee of the CPC Central Committee and concurrently executive vice chairman of the Central Military Commission, and Deng Liqun, member of the Secretariat and concurrently head of the Propaganda Department of the CPC Central Committee), I had a long talk with them. I had thought that Deng Xiaoping would first explain China's stand and so I waited for him to begin talking. However, he did not open his mouth but seemed to be waiting for me to speak first. There was a short silence between us. I hesitated for a moment and then began stating my views in a comprehensive way. I had thought he would cut me short or refute my views but in the course of my 40-minute explanation, he always listened to me attentively and, with the exception of asking a few questions, never interrupted me.

I bluntly pointed out: It will be impossible for Taiwan to accept the "nine-point proposal" and the request for "three communications and four exchanges" and to hold peace talks with China because Taipei regards them as a "United Front Plot" and as a posture China assumes to deal with the United States and overseas personages. Peace talks only serve as a means; the ultimate objective of the mainland is to disintegrate the popular feelings and morale of Taiwan, to shake its political stability and economic prosperity, to weaken its international status, and finally to annex Taiwan and destroy the "orthodox Republic of China." That is why Taiwan holds that on the one hand, China proposes holding peace talks, and on the other hand, it tries every possible means to hit, isolate, and even "strangle" Taiwan internationally. I pointed out, in particular, the "ultimatum" (including the 24-point proposal and the 8-point provision) issued to the KMT Government by the CPC in April 1949, prior to the crossing of the Changjiang River by the Communist Army, the "lesson" which Taiwan learned from Beijing's handling of the Xizang issue, as well as the "bitter experiences" which Taiwan gained from talks between the KMT and CPC in the past. I also explained Taiwan's view on the "nine-point proposal." High-ranking KMT leaders almost unanimously hold that the "nine-point proposal" does not mean "reciprocal talks" because as soon as Taiwan sits at the negotiation table, the Taipei government will be immediately reduced to a "local government" and will recognize Beijing as the "central government." The anticomunist stand of the "legally constituted authority of the Republic of China," which they have upheld for more than 30 years, will immediately collapse and will be replaced by the PRC. The popular feelings and morale of Taiwan as well as its international status will be greatly affected. It will possibly lead to the outflow of capital and economic collapse. This will constitute an inestimable blow to Taiwan. Therefore, Taiwan holds that peace talks are tantamount to self-destruction. Moreover, the people of Taiwan are enjoying very high standards of living and there is a very big gap in their economic conditions. The isolation of more than 30 years has generated in the people of Taiwan a great fear of communism. They do not understand the mainland at all, still less have confidence in it. Therefore, many people in Taiwan do not think that reunification will bring any benefit to Taiwan. Most of them hold that it is necessary to maintain the status quo, to preserve their present way of life, and to "drag on" for the time being.

It is also impossible for the Taiwan authorities to believe the Chinese Government's pledge that after reunification, Taiwan can maintain its existing socioeconomic system and even maintain its Armed Forces, because after the reunification, the Taiwan authorities will be designated a "local government" and the "central government" will be able to change everything, transferring Taiwan's Army away from the island and stationing the PLA troops there. I also mentioned Beijing's pledge that after the reunification, KMT leaders will be able to take part in the leadership work of the central government and they can send deputies to attend the CPPCC and even act as state leaders. According to my knowledge acquired from my contacts with friends from Taiwan, Taiwan does not believe this pledge either, because they think that since the CPC sticks to its leadership through the adovation of the four "basic principles," the KMT will not be able to share an equal status with the CPC after reunification. Moreover, Taiwan leaders think that the stipulations of the constitution do not represent reliable guarantees, because the constitution is easy to change, because the NPC is merely a "rubber stamp", and all major decisions are made by the central authorities of the CPC. How can the 100 deputies from Taiwan among 3,000 NPC deputies play any role in voting? As for the CPPCC, Taiwan regards it as merely an organization consisting of all sorts of people who are willing to follow the CPC, so the organization has no real power but can only appease these appendant elements. In the eyes of Taiwan, the CPC's United Front Department, which is engaged in United Front activities, is in fact a "conspiracy department." Therefore, I frankly pointed out that China's existing policy toward Taiwan does not take into account the mentality of Taiwan people and will not lead to China's reunification.

Then I went on to analyze Taiwan's present difficult situation: externally, Taiwan is faced with the CPC's pressure and peaceful offensive and has become isolated in international relations; internally, the Taiwan authorities are confronted with the pressure from people outside the KMT and are suffering from economic difficulties. Chiang Ching-kuo's health is poor, and the issue of succession must be solved. The postponement of the Second Plenary Session of the KMT Central Committee shows that it is still difficult for Taiwan to decide future personnel arrangements and that no unanimous idea has been reached yet in this regard. In my opinion, Mr Chiang Ching-kuo has made major contributions to Taiwan's political stability and economic prosperity. He has also resolutely opposed the ideas of "two Chinas" and "Taiwan independence." Other Taiwan leaders, such as Sun Yun-hsuan and Chiang Yen-shih, who are enlightened and are well aware of the international situation, have also made great contributions to Taiwan's economic achievements and successes in other fields. But the prestige and influence of Chiang Ching-kuo constitute a decisive factor. Therefore, his health and life have a great bearing on Taiwan's future. I think that only a stable Taiwan can enter into peaceful talks with the mainland.

Therefore, I asked Deng Xiaoping to adopt a more realistic stand and to lessen the pressure on Taiwan. I said that it is necessary to take into account Taiwan's mentality and sensitivity. I even suggested that after the reunification the name of the country be just "China" instead of the "People's Republic of China" or the "Republic of China." I hoped that both sides would have patience and flexibility, lessen propaganda and hostility, improve mutual understanding and mutual trust, and strive to narrow the gap in all fields so as to create a necessary atmosphere and conditions for future peaceful talks.

## Deng Xiaoping's Reactions and his Latest Ideas

After listening to my statements with patience, Deng Xiaoping asked me whether I had finished discussing my views. I nodded, saying that I had in the main finished. He said that he was surprised to learn of the misunderstanding and strong reactions to the "nine-point proposal," and obviously, he did not completely agree with my analysis and viewpoints. He said: in the past, there have been two negotiations between the CPC and the KMT. The first talks were unfavorable to the CPC, and the second talks made the KMT suffer losses. He said: the CPC sincerely wants to cooperate with Taiwan and has no intention to weaken and isolate Taiwan. On the one hand, the mainland is striving to modernize itself and is working hard to consolidate political stability, step up economic construction, and improve the people's livelihood. (Here, he seemed to hint that the CPC is striving to narrow the gap between the standards of living of the people on both sides of the Taiwan Strait.) On the other hand, the CPC is making great efforts to promote peaceful reunification. He said: "Our many practices are not directed at Taiwan but at the 'two Chinas' policy of the United States." He repeatedly stressed the principle of "one China." He praised the old Chiang and the young Chiang for insisting on the principle of "one China" and for opposing "Taiwan independence."

In order to take into consideration Taiwan's stand, Beijing is now emphasizing "equal talks between the two parties." He hoped that the KMT would be willing to cooperate with the CPC and would make efforts to fulfill the "great reunification of the Chinese nation" so as to make due contributions to the nation. He said: "Our purpose is not to swallow Taiwan, but to realize real reunification in China." Then, he put forward an amazing new policy: Taiwan can use the name of "China, Taipei" (as it was decided by the International Olympic Committee) to retain its seat in the Asian Development Bank so as to be a member of the organization together with China. (He indicated that this had not been thoroughly discussed by the CPC central leadership, but I was impressed that China was making efforts in this regard.) It seemed that he was trying to use the case of the Asian Development Bank as an example to explain that China did not intend to isolate or harm Taiwan.

It seemed that Deng Xiaoping had noticed the "three conditions for peaceful negotiations" put forward by Professor Chiu Hung-da of the University of Maryland at the annual meeting of the Asian Study Association held in San Francisco in March this year. (Though he did not say so, it seemed that Deng had also noticed Sun Yun-hsuan's statement on 10 June 1982.) Professor Chiu's thesis had aroused extensive attention. Beyond my expectation, Deng Xiaoping almost completely affirmed the three conditions. Deng Xiaoping said: After reunification, since Taiwan can maintain its Army, it is a matter of course that it can buy defensive weapons from other countries (but this cannot constitute a threat against the mainland). The CPC also pledged that it will never unilaterally revise the terms in the agreement about the reunification. Both sides may issue such formal documents as a "joint statement" to pledge the implementation of the terms of reunification. But Deng Xiaoping opposed the form of having "international guarantees," because he said that reunification is an affair of the Chinese people themselves, and if foreign countries are allowed to interfere in the internal affairs of the Chinese people, there will be "endless troubles." However, Deng Xiaoping affirmed the necessity of allowing Taiwan to maintain proper international status and foreign relations. As for the so-called "complete autonomy," Deng Xiaoping said that he was resolutely opposed to this idea, because the "complete autonomy" meant "two Chinas" or "one and one-half Chinas."

In summary, my impression is that Deng Xiaoping, in principle, accepted the "three conditions for peaceful talks" put forward by Chiu Hung-da and the demands put forward by Sun Yun-hsuan. However, what surprised me was that he even put forward more detailed schemes beyond the "9-point proposal," Sun Yun-hsuan's demands, and Chiu Hung-da's "three conditions."

1. After reunification, Beijing will not dispatch its Army to Taiwan, nor will it send officials to take over, to take part in, or to oversee Taiwan's "internal affairs." Beijing will not concern itself with the personnel affairs in Taiwan's administrative structure and will not bother about the troop movements in Taiwan. (But he did not agree with the proposition of "Taiwan people governing Taiwan," because it has an implication of "Taiwan independence.") Deng Xiaoping said: "You do not swallow me, and I do not swallow you. You do not bother about me, nor vice versa. Each of the two sides can go its own way." Taiwan can maintain its economic system, its way of living, and its party, government, Army, and intelligence agency. The mainland and Taiwan will coexist peacefully. He said: "We will never harm even a single blade of grass or a tree on Taiwan." He also said that this arrangement should remain unchanged for at least 100 years. If disputes occur in the course of implementing the reunifications terms, both sides can seek solutions through consultation. The most important thing is that neither side will conduct anything causing harm to the other side in its own territory. Taiwan's Army will have the right to buy weapons from other countries to consolidate its self-defensive ability.

2. After reunification, Taiwan will enjoy independent legislative rights and can basically maintain its existing laws. On the principle of not violating the Constitution, Taiwan's legislature has the right to enact its own laws which act as the foundation for Taiwan's administration.

3. After reunification, Taiwan will have its independent jurisdiction and judicial organs. The laws and acts on the mainland will not be applied to Taiwan. The court of last instance for Taiwan should be set in Taiwan rather than in Beijing.

4. After reunification, Taiwan will maintain certain rights to handle foreign affairs. It can handle its foreign economic relations independently. The Taiwan authorities can issue special passports to Taiwan people and grant entrance visas to foreigners. It can even have the right to sign some agreements directly with other countries.

5. After reunification, Taiwan can still use its special flag and use the title of "China, Taiwan."

Deng Xiaoping stressed that all of these arrangements are based on the principle of "one China." He resolutely opposed Taiwan independence. He said that once Taiwan became independent, it would immediately be relegated to a colony of another country. He said that the future relationship between the mainland and Taiwan can be described with the term "federation," but he did not agree to use this term. Taiwan will be an autonomous special administrative region, which is different from other autonomous regions on the mainland, because Taiwan will enjoy more autonomy and special rights than other existing autonomous regions and special zones.

In conclusion, he said: China is advancing toward peaceful reunification, but it is impossible to openly promise that peaceful reunification is the sole form of reunification, because this promise will only permanently obstruct China's reunification. He said: The mainland is striving to improve the people's livelihood and is sincerely hoping to peacefully coexist with Taiwan so as to eventually realize the country's reunification. Apart from the principle of "one China," the mainland has no other absolute conditions. All other conditions and schemes are negotiable and adoptable. He said: The mainland is willing to respect history and current status, and will take a reasonable and flexible attitude to treat problems in the course of reunification, and will give full consideration to terms that are acceptable for Taiwan.

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When we concluded our talks, I discovered that Deng Xiaoping had made an extensive analysis of China's future modernization and reunification. He mentioned his age (he will be 80 next year), and said with a low and deep voice: "People who reach an old age as I cannot help but feel anxious about this." I realized then how eager he was to see the realization of China's reunification and modernization in his remaining years. However, he has certainly realized that the fulfillment of these arduous tasks take time. His words at the end of our talk evoked my deep feeling: When will China realize its reunification? Of course, that is not a question that can be answered by Deng Xiaoping or me.

GOVERNOR YOODE RETURNS FROM BEIJING 4 AUG

HK040541 Hong Kong Domestic Service in English 0500 GMT 4 Aug 83

[Text] The governor, Sir Edward Youde, has returned from Beijing after 2 days of talks on the future of Hong Kong. It was the third time in a month that Sir Edward had attended the latest round of talks. On his arrival, Sir Edward said he had 2 busy and useful days in Beijing. Apart from the talks, he had had the opportunity for some comprehensive consultations with the British Ambassador to China, Sir Percy Cradock, and his colleagues.

[Begin Youde recording] For those of you who like numbers, you will have noticed that this is the 9th trip I have made on the question of the future, 5 to London and 4 to Beijing, and we shall now have a recess, and so my 10th trip will be tomorrow night when I go back to London, and then in early September we have the consultations with ministers. But I hope you will also note that it has been a very active year on other government fronts too, particularly on domestic matters, and I shall be reviewing those in the Legco [Legislative Council] address which I am coming back to finalize in September, and then at the same time I will outline the plans for the coming year. [end recording]

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**August 5, 1983**

